

Consultant Services Procedures Manual January 2002

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Introduction

Purpose

To provide guidance concerning the authorization, selection, and use of consultants for Personal Service and Architect & Engineering (A&E) agreements and/or supplements.

Supersession

CSPM 27-50, "Consultant Services Procedures Manual," dated March 1996.

Rule

1. The Department maintains a staff capable of performing a normal workload. When work cannot be done on a timely basis by the Department, or when work requires specialized professional or technical talents not readily available in the Department, consultants may be employed.
2. The consultant selection procedures provide an opportunity for minority and women owned business enterprises to obtain an equitable share of the work for which consultants are engaged. However, the equitable share of the work must be consistent with the project scope of work and capabilities of available certified disadvantaged, minority, and women-owned enterprises (D/M/WBE). The Department complies with the approved DBE Participation Plans for federally funded projects.

Scope

This manual pertains to the authorization, selection, and use of consultants for Personal Service and A&E agreements unless the agreement is for one of the following:

1. Research agreements using public universities, see M34-01.
2. Information Technology (IT) consultant agreements see D17-80, "Consultant Authorization, Selection, and Use for Data Processing."
3. Administrative consultant agreements, M72-80, "Purchasing Manual," for procurements by a bid procedure.
4. Training instructor agreements, see D74-08, "Training Services Consultant Selection."
5. Real Estate Services, see M26-01, "Right of Way Manual."

This manual was developed to explain the agreement process between the Washington State Department of Transportation (WSDOT) and private sector consulting firms. It includes the procedures for Personal Service agreements and/or supplements, including A&E agreements and/or supplements.

The procedures in this manual are mandatory for all WSDOT offices when agreements and/or supplements for Personal Services and A&E services are utilized to ensure compliance with the following state and federal laws:

- Revised Code of Washington (RCW) 39.29 Personal Services Contracts;
- RCW 39.80 Contracts for A&E Services;
- Code of Federal Regulations (CFR) Title 48, Federal Acquisitions Regulations; and
- CFR Title 23, Highways, Approved Alternate Procedures.

If the proposed Personal Service agreement is for training, real estate appraisers, negotiators, or IT related, their procurement procedures will not follow the procedures outlined in this manual. You must contact the individuals listed below within those areas to ensure that proper procedures are followed:

Introduction

- | | |
|---|---------------|
| • Staff Development - Training Agreements | Dave Acree |
| • Real Estate Services - Appraiser and/or negotiator Agreements | Jim Salter |
| • IT Finance and Admin. Services - MIS Agreements | Cheryl Howell |

After the consultant has been selected through the appropriate procurement procedures, the filing processes with the Office of Financial Management (OFM) for all Personal Service agreements and/or supplements within the department will align with the procedures outlined in this manual.

This document serves as the delegation of authority by the Federal Highway Administration (FHWA) to WSDOT under the Approved Alternate Procedures outlined in CFR Title 23 for those agreements that include federal funding. All records for federally funded projects are available for FHWA review at any time.

The contact person for administration of these policies within WSDOT for Personal Service and A&E agreements is:

Director, Consultant Services Office
Capital View II Building, 2nd Floor
724 Quince Street, SE
Olympia, WA 98501
PO Box 47323, Olympia, WA 98504-7323
Telephone (360) 705-7102

Definitions

Personal Services vs. A&E Services

Personal Services

How do you determine if your proposed project is for Personal Services or A&E services? If the proposed project falls under one of the following categories of work, then it would be considered Personal Services. The following is a summation of examples of Personal Service agreements:

Examples of Personal Services

◆ Accounting	◆ Actuarial	◆ Analysis of processes
◆ Appraisal	◆ Art Work	◆ Audio/video media productions
◆ Auditing	◆ Business analysis and assessment services	◆ Business process re-engineering
◆ Communications - maps, brochures, pamphlets, posters, etc.	◆ Conference and trade show coordination	◆ Consultation on programs, plans, systems, etc.
◆ Counseling Employees	◆ Curriculum Development	◆ Economic analysis and consultation
◆ Environmental planning/technology	◆ Evaluation of processes, programs, systems, etc.	◆ Executive recruitment
◆ Expert witness for litigation	◆ Facilitation for groups, projects, retreats	◆ Facilities, planning/coordination
◆ Feasibility studies, (except when part of A&E project)	◆ Financial services	◆ Fund raising
◆ Grant writing	◆ Graphic design	◆ Guest speakers
◆ Investigations (personnel related, etc.)	◆ Investment advisors and management	◆ Labor negotiations and labor relations services
◆ Legal services	◆ Legislative liaison services	◆ Lobbying services
◆ Management consulting	◆ Marketing services, including identify market opportunities, promotion, market research surveys, etc.	◆ Mediation, negotiation and arbitration services
◆ Medical and psychological services, including evaluation and consultative services, blood draws, physicals, etc.	◆ Needs assessment, (except when part of A&E project)	◆ Operational assessments
◆ Organization development	◆ Outreach services	◆ Peer review

Definitions

Examples of Personal Services Continued

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- | | | |
|---|--|---|
| ◆ Planning services, (except when part of A&E project) | ◆ Policy development and recommendations | ◆ Productivity improvement |
| ◆ Program development, assessment, implementation, coordination, evaluation, | ◆ Public involvement services, (except when part of A&E project) | ◆ Quality assurance/control services |
| ◆ Recommendations on processes, products, projects, systems, etc. | ◆ Research services - social, environmental, technical | ◆ Retreat and workshop planning, conduct, coordination, etc. |
| ◆ Scientific and related technical services | ◆ Strategic planning | ◆ Speech and report writing |
| ◆ Statistical analysis | ◆ Studies, development and conduct | ◆ Surveys (including development, conduct and analysis of results) |
| ◆ Temporary employment services, professional services: architects, engineers, etc. | ◆ Trade development services | ◆ Training (a) offered to specific categories or classes of employees; (b) offered to all or most agency employees ≤ times in a fiscal year |

Examples of Personal Service On-Call Environmental Services

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- | | |
|--|--|
| ◆ Air Quality and Noise Studies | ◆ Biological Assessments |
| ◆ Cultural Resources - Archaeological and Historical inventory; Impact Assessments | ◆ Environmental Documentation (Environmental Assessment, Environmental Impact Statement) |
| ◆ Fish, Water Quality and Aquatic Resources | ◆ Hydraulics Analysis and Reports |
| ◆ Landscape Architecture | ◆ Resource Planning |
| ◆ Stormwater Site Plans | ◆ Wetland and Terrestrial Resources |

Definitions

Examples of Personal Service On-Call Hazardous Waste Services

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|--|--|
| ◆ Analyze test results; perform material identification and recommend acceptable remedial actions | ◆ Coordinate and arrange for treatment or disposal of solid hazardous waste |
| ◆ Develop plans for management and control of solid and hazardous materials and wastes, including marine sediments | ◆ Hydrologic Engineering investigations to determine hazardous material transport routes |

Examples of Personal Service On-Call Hazardous Waste Services Continued

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|--|--|
| ◆ Perform emergency hazardous material response activities | ◆ Risk analysis and Toxicity Assessments |
| ◆ Site Investigation and Assessments | ◆ Soil, Sediment, Surface Water, Ground |

Examples of Personal Service On-Call Public Involvement Services

- | | |
|------------------------|-------------------|
| ◆ Brochures | ◆ Newsletters |
| ◆ Open House | ◆ Public Meetings |
| ◆ Stakeholder Meetings | ◆ Surveys |

Examples of Personal Services Information Technology (IT) Services

- | | | |
|--|------------------------------------|--|
| ◆ Acquisition planning and technology assessment | ◆ Business and technology planning | ◆ Business process re-engineering |
| ◆ Development of project definition and scope requirements | ◆ Disaster recovery planning | ◆ Feasibility studies |
| ◆ Needs assessment | ◆ Performance assessment | ◆ Project management |
| ◆ Quality assurance services | ◆ System architecture | ◆ Systems analysis, design, and implementation |
| ◆ System development and implementation; integration and migration | | |

If the proposed project, or On-Call services meets one of the examples listed above, it would fall under the procurement rules for Personal Service agreements, RCW 39.29. If this is the case, OFM may need to review and/or approve the Personal Service agreement before the consultant may begin work. The

Definitions

filing requirements for Personal Service agreements and/or supplements with OFM are found in Appendix 7.

Definitions

Personal Services vs. A&E Services Continued

Architecture & Engineering (A&E) Services

If your proposed project is not listed in the examples of Personal Service agreements previously listed, it may be an A&E type agreement. The filing requirement rules that must be followed for A&E agreements and/or supplements are quite different from those required for Personal Services. OFM approval is not required for any type of A&E agreement and/or supplement. However, the Headquarters Consultant Services Office (CSO) is responsible for filing all A&E agreements and/or supplements utilized by the department on a quarterly basis to OFM.

What is meant by A&E services? According to RCW 39.80, A&E services include engineering services, land surveying services, landscape architect services, and architectural services. The following sections will identify the definitions of various types of A&E services and examples of each type of service.

Definitions

Engineering Services

The term “engineering” as used in this manual shall mean the “practice of engineering” as hereinafter defined.

The term “practice of engineering” shall mean any professional service requiring engineering education, training, and experience for the planning, designing, construction, or management of roads, bridges, buildings, machines, equipment, railways, ferries or related projects.

The following are examples of the types of services that are included in the “engineering services” definition:

Example of Engineering Services - Civil Design and PS&E Services

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|--|--|
| ◆ Computer engineering support | ◆ Detour and Staging Plans |
| ◆ Drafting support | ◆ Drainage Plans |
| ◆ Field survey support | ◆ Obtain Title Reports |
| ◆ Preparation of base maps | ◆ Preparation of construction cost estimates |
| ◆ Preparation of Right of way maps | ◆ Preparation of specifications |
| ◆ Project Management | ◆ Roadway, highway and freeway design |
| ◆ Signalization, signing, illumination and channelization design | ◆ Stormwater Site Plans |
| ◆ Temporary Erosion & Sediment Control (TESC) Plans | ◆ Value Engineering |
| ◆ Work Zone Traffic Control Plans | |

Examples of Engineering Services - Geotechnical Services

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|---|--|
| ◆ Determine access for exploration | ◆ Determine and evaluate site geology |
| ◆ Determine condition of existing facilities | ◆ Determine general site conditions |
| ◆ Evaluate for impacts to construction operations | ◆ Perform field and/or laboratory testing of soil/rock to characterize conditions |
| ◆ Prepare geotechnical design recommendations for the design of structures, cut slopes, embankments, drainage facilities, marine facilities, highways, rockfall control and landslide corrections | ◆ Review boring logs, soil/rock classification, geophysical test results and groundwater information |
| ◆ Submit boring layout, proposed sampling and type of boring equipment to be utilized prior to exploration work | |

Definitions

Examples of Engineering Services - Rail Engineering Services

- | | |
|--|-------------------------------|
| ◆ Construction Inspection | ◆ Light Density Line Analysis |
| ◆ LRFA Project Application Preparation | ◆ Project Design |
| ◆ Project Management | ◆ PS&E |

Examples of Engineering Services - Rail Operation Services

- | | |
|--|--|
| ◆ Equipment utilization and maintenance agreements (Maintenance agreements are purchased services if not included in the overall scope of the rail engineering project) | ◆ Negotiations (If included in the overall scope of the rail-engineering project. However, these services would be procured as Personal Services if not part of the overall rail engineering project) |
| ◆ Rail equipment and facilities evaluation (If included in the overall scope of the rail-engineering project. However, these services would be procured as Personal Services if not part of the overall rail eng. project) | ◆ Railroad appraisals (If included in the overall scope of the rail-engineering project. However, these services would be procured as Personal Services if not part of the overall rail engineering project) |
| ◆ Terminal operations analysis (If included in the overall scope of the rail-engineering project. However, these services would be procured as Personal Services if not part of the overall rail engineering project) | ◆ Track capacity analysis and scheduling |

Example of Engineering Services - Structural Design and PS&E Services

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|---|--|
| ◆ Analysis of construction time analysis | ◆ Check shop drawings and make recommendations concerning construction change orders |
| ◆ Design and detailing for incidental items: signing, illumination, drainage and utilities of structure | ◆ Preparation of construction cost estimates |
| ◆ Preparation of contract plans | ◆ Preparation of special provisions |

Definitions

- ◆ Preparation of structural design for bridges and related structures
- ◆ Review contractor's proposed construction methods for constructability
- ◆ Provide assistance to State in defense of contractor claims (If included in the overall scope of the engineering project. However, legal services and expert witness services would be procured as Personal Services if not part of the overall engineering project)
- ◆ Review contractor working drawings

Examples of Engineering Services - Traffic Engineering Services

- ◆ Electrical Inspection Services
- ◆ Incident Response Coordination
- ◆ Plans, Specifications & Estimates for low cost enhancements
- ◆ Safety Research
- ◆ Freeway Modeling/Simulation (e.g. Ramp Metering)
- ◆ Inventory Based Reviews
- ◆ Safety Investment Tracking and Evaluation
- ◆ Software Development Services (If included in the overall scope of the engineering project. However, these services would be procured as Personal Services if not part of the overall engineering project)
- ◆ Specification Development
- ◆ Traffic Data Collection/Accident Analysis
- ◆ Traffic Studies

Example of Engineering Services - Washington State Ferries (WSF) Design Services

- ◆ Design calculation reviews
- ◆ Environmental documentation
- ◆ Performing studies (If included in the overall scope of the engineering project. However, these services would be procured as Personal Services if not part of the overall engineering project and the service is not an engineering study)
- ◆ Permitting assistance
- ◆ Drafting services
- ◆ Marine coastal engineering
- ◆ Performing testing
- ◆ Planning and engineering related to various terminals and marine facilities

Definitions

- ◆ Prepare designs for remediation of contaminated/hazardous site conditions and/or waste removal
- ◆ Surveying
- ◆ Structural, mechanical, and/or electrical engineering for terminals, docks, or marine facility modifications

NOTE: The preceding definitions for engineering services are for information only. If CSO determines that a project's scope includes items that may be determined to be Personal Services, they will contact OFM to verify whether the overall project will be considered A&E or Personal Services.

Definitions

Land Surveying Services

The term “land surveying” as used in this document shall mean the “practice of land surveying” as hereinafter defined.

The term “land surveying” shall mean surveying of land for the establishment of corners, lines, boundaries, and monuments, the layout out of subdivision of land, the defining and locating of corners, lines, boundaries and monuments of land after they have been established, the survey of land areas for the purpose of determining the topography thereof, the making of topographical delineation’s and the preparing of maps and accurate records thereof. This also includes mapping services associated with the research, planning, development, design, construction, or alteration of real property, which are considered to be of an engineering nature.

The following are examples of the types of services that are included in the “land surveying” definition:

Examples of Land Surveying Services

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|--|---|
| ◆ Aerial mapping control and map certification | ◆ GPS (Global Positioning by Satellite) services for mapping control and land line establishment, topographic surveys |
|--|---|

Examples of Land Surveying Services Continued

- | | |
|---|--|
| ◆ Hydraulics information including Puget Sound, rivers, streams, and drainage systems | ◆ Intersection section lines with state highways, tie intersection point to appropriate sector corner, 1/4 corner points based on WSDOT coordinate grid |
| ◆ Legal ties of property corners to WSDOT right of way | ◆ Reestablish or locate legal markers |
| ◆ Relocate and record legal markers that will be destroyed during construction | ◆ Surveying for preliminary engineering |
| ◆ Topographic Maps for highway corridors or other improvements that will furnish all natural or man-made features, in vertical and horizontal position, on manuscript or electronically | ◆ Utilize Right of Way plans, legal description, county records, etc., establish or reestablish property corner to WSDOT pits, quarries, stockpile and other sites |

Definitions

Architecture Services

The term “architecture” as used in this manual shall mean the “practice of architecture” as hereinafter defined.

The term “practice of architecture” shall mean the rendering of services in connection with the art and science of building design for construction of any structure or grouping of structures and the use of space within and surrounding the structures or the design for construction of alterations or additions to the structures, including but not specifically limited to schematic design, design development, preparation of construction contract documents and administration of construction contracts.

The following are examples of the types of services that are included in the “architect” definition:

Examples of Architect Services - Bidding Phase

- | | |
|----------------------------|---|
| ◆ Addenda | ◆ Analysis of Substitutions |
| ◆ Bidding | ◆ Bid Evaluation (If included in the overall scope of the architectural project. However, these services would be procured as Personal Services if not part of the overall architectural project) |
| ◆ Bidding Materials | ◆ Construction Agreements |
| ◆ Disciplines Coordination | ◆ Project Administration |
| ◆ Redesign | |

Examples of Architecture Services - Construction Contract Administration Phase

- | | |
|-------------------------------|--|
| ◆ Construction Administration | ◆ Construction Field Observation |
| ◆ Cost Accounting | ◆ Disciplines Coordination Document Checking |
| ◆ Documents | ◆ Permitting Authority Consulting |
| ◆ Project Administration | ◆ Project Representation |
| ◆ Scheduling | |

Examples of Architecture Services - Construction Document Services

- | | |
|----------------------------|-----------------------------------|
| ◆ Architectural Design | ◆ Consulting Permitting Authority |
| ◆ Cost Estimating | ◆ Data Coordination User Agency |
| ◆ Disciplines Coordination | ◆ Document Checking |
| ◆ Electrical Design | ◆ Materials Research |
| ◆ Mechanical Design | ◆ Project Administration |
| ◆ Scheduling | ◆ Site Design |
| ◆ Specifications | ◆ Structural Design |

Definitions

Examples of Architecture Services - Project Closeout

- ◆ Operations & Maintenance Manuals
- ◆ Record Documents (As-Builds)
- ◆ Warranty Period

Examples of Architecture Services - Schematic Design Services and Design Development Services

- ◆ Architectural Design
- ◆ Consulting Permitting Authority
- ◆ Data Coordination User Agency
- ◆ Document Checking
- ◆ Materials Research (Only for schematic design phase)
- ◆ Presentations (If included in the overall scope of the architectural project. However, these services would be procured as Personal Services if not part of the overall architectural project)
- ◆ Scheduling
- ◆ Structural Design
- ◆ Civil/Site Design
- ◆ Cost Estimating
- ◆ Disciplines Coordination
- ◆ Electrical Design
- ◆ Mechanical Design
- ◆ Project Administration
- ◆ Specifications

NOTE: The preceding definitions for Architectural services are for information only. If CSO determines that a project's scope includes items that may be determined to be Personal Services, they will contact OFM to verify whether the overall project will be considered A&E or Personal Services.

Definitions

Landscape Architecture Services

The term “landscape architecture” as used in this manual shall mean the “practice of landscape architecture” as hereinafter defined.

The term “landscape architect” shall mean any professional who performs professional services such as consultations, investigations, reconnaissance, research, planning, design or teaching supervision in connection with the development of land areas including roads, bridges, buildings, railways, ferries or related projects. The dominant purpose of such services is the preservation, enhancement, or determination of proper land uses, natural land feature, ground cover and planting, naturalistic and aesthetic values, the settings and approaches to structures or other improvements, or natural drainage and erosion control.

The following are examples of the types of services that are included in the “landscape architect” definition:

Examples of Landscape Architecture Services - Visual Quality Assessment

- ◆ Written report and graphics for SEPA and NEPA

Examples of Landscape Architecture Services - Restoration Projects

- | | |
|---------------------------------------|--------------------|
| ◆ Details | ◆ Hardscape Design |
| ◆ Irrigation Plans | ◆ Plantings |
| ◆ Project Site Layouts | ◆ Site Preparation |
| ◆ Streambank Restoration | ◆ Traffic Control |
| ◆ Water Pollution and Erosion Control | |

Examples of Landscape Architecture Services - Wetland Mitigation

- | | |
|-------------------|-------------------|
| ◆ Conceptual Site | ◆ Contour Grading |
| ◆ Details | ◆ Irrigation |
| ◆ Planting | |

Chapter 1

Procedures for initiating a Personal Service Agreement and/or A&E Agreement through Advertisement

If it is determined that your potential project falls under the definition of a Personal Service agreement, there are two (2) potential options for obtaining a consultant:

- Competitive Selection Procedures; or
- Sole Source Selection Procedures.

If it is determined that your potential project falls under the definition of an A&E service agreement, there are three (3) potential options for obtaining a consultant:

- Competitive Selection Procedures;
- Sole Source Selection Procedures; or
- Annual Roster Procedures.

If you have any questions regarding what options are available for obtaining a consultant please contact your local Area Consultant Liaison (ACL) to assist you through this process. The complete list of area consultant liaisons is included in available on CSO website at:

<http://www.wsdot.wa.gov/consulting/>

Personal Service Agreement(s), Competitive Procedures, Steps 1 - 4

Step 1 - Preparation of Request for Consultant Services

If a new Personal Services agreement is needed that will utilize a competitive selection process, the first step that must be performed is the completion of a request for consultant services. Depending on the scope of the proposed project, the ACL will need to complete the appropriate request memo listed below: (See Appendix 1 for request memo information.)

- Personal Services, Request for Project Specific Competitive Selection; or
- Personal Services, Request for On-Call Services Competitive Selection.

After the appropriate request memo has been completed and signed by the internal customer's signing authority, the request memo is sent through the ACL to CSO to begin the approval process for the requested services.

Step 2 - Review of Internal Customers Request for Consultant Services

CSO will review the internal customers request for consultant services to ensure that all required information is included in the request memo. We will also ensure that the internal customer utilized the appropriate type of request memo. If the Director, CSO, or delegate, approves the request it will be forwarded to the Director, Environmental & Engineering Programs for approval. After the request is approved, CSO will contact the internal customer via phone, e-mail and/or fax to inform them of the approval to proceed with the next step in the process. If approval is not received, CSO will inform the internal customer as to the reasons why the request was denied and/or identify additional required information.

Step 3 - Preparation of Required Advertisement Language for a Competitively Awarded Personal Service Agreement(s)

The ACL shall provide CSO with a brief project description so that CSO can prepare the advertisement and ensure that all required information is included in the advertisement for a Personal Service agreement(s) that is being procured through competitive procedures. Usually, the advertisement procedures are referred to as the Request for Qualifications (RFQ) from consultants. The advertisement must adequately describe the project and include the evaluation criteria that the consultants must respond to in their RFQ. In most situations, each of the scoring criteria will be weighted equally. In addition, the advertisement usually includes the following types of additional information: page limitations, font size requirements, due date for submittals, etc.

When the agreement is for Personal Service, price must be included as one of the evaluation factors during the selection process per RCW 39.29. However, it is not a "low-bid" consultant selection where the low bidder wins the contract automatically.

Step 4 - Newspaper Advertisement Procedures for a Competitively Awarded Personal Service Agreement(s)

CSO will advertise the solicitation in the Seattle Daily Journal of Commerce and other media requested by our internal customer, as appropriate. The advertisement will also be posted to the CSO web site at <http://www.wsdot.wa.gov/consulting/>. In most situations, the advertisement will run for two weeks,

with a response date due for the consultant's qualification packet two weeks after the final advertisement run date.

Each responding consultant is required to complete a consultant information packet for themselves and each sub-consultant on their proposed team. If this information is omitted or incomplete, the team's submittal will be non-responsive, and they will not be considered for the project.

CSO will process the invoice for the advertisement. Charge Codes will be requested for invoice processing from the internal customer to ensure that the appropriate organization is charged for the advertisement and our advertising vendor(s) are paid in a prompt manner. The affidavit of publication will remain in the CSO files.

Personal Service Agreement(s), Sole Source Procedures, Steps 1 - 4

Step 1 - Preparation of Request for Consultant Services

If a new sole source Personal Services agreement is needed, the first step that must be performed is the completion of a request for consultant services. Depending on the scope of the proposed project, the ACL will need to complete the appropriate request memo listed below. (Please see Appendix 1 for details on request memos.)

- Personal Services, Request for Project Specific Sole Source; or
- Personal Services, Request for On-Call Services Sole Source.

Step 2 - Review of Internal Customers Sole Source Request for Consultant Services

CSO will review the internal customers request for consultant services to ensure that all required information is included in the request memo. We will also ensure that the internal customer utilized the appropriate type of request memo. If the Director of CSO, or delegate, approves the request it will be forwarded to the Director, Environmental & Engineering Programs for approval. After the request is approved, CSO will contact the internal customer via phone, e-mail and/or fax to inform them of the approval to proceed with the next step in the process. If approval is not received, CSO will inform the internal customer as to the reasons why the request was denied and/or identify additional required information.

If the proposed sole source Personal Service agreement is less than \$20,000, Steps 3 and 4 are not required. Proceed to Chapter 6 of this manual.

Step 3 - Preparation of Information Required in Advertisement for Sole Source Personal Service Agreement(s) that is \$20,000 or more

According to OFM regulations, if the proposed sole source agreement is greater than or equal to \$20,000, then it must be advertised. The ACL shall provide CSO with a brief project description so that CSO can prepare the sole source advertisement and ensure that all required information is included in the advertisement for a sole source Personal Service agreement(s). The advertisement must be placed in a statewide or regional newspaper and CSO web site for a minimum of one day. The advertisement may also be placed in other media, as deemed appropriate. The advertising requirement is based on the individual agreement amount and is not a cumulative total of sole source agreements with a consultant in a fiscal year. The required elements of the sole source advertisement are included in Step 4.

Step 4 - Advertisement Procedures for a Sole Source Personal Service Agreement(s) that is \$20,000 or more

CSO will advertise the proposed sole source agreement in the Seattle Daily Journal of Commerce and other media requested by our internal customer, as appropriate. The advertisement will also be posted the CSO web site at: <http://www.wsdot.wa.gov/consulting/>. In most situations, the advertisement will run one day. The response deadline for any challenge by a qualified consultant to the proposed sole source agreement will vary, but will be identified in the advertisement.

The sole source advertisement for a Personal Service agreement that is \$20,000, or more must include at a minimum:

- The name of the department;
- Description of the services contemplated for sole source award;
- Proposed time frame of the sole source agreement;
- Information as to how an interested consultant may contact the department to challenge the proposed sole source agreement; and
- Deadline for the challenge.

If the proposed sole source agreement is challenged and the department believes the responding consultant is qualified, then a competitive selection process must be followed. The competitive process is discussed in Chapter 2 of this manual. If the department can demonstrate that the proposed consultant is the only qualified and available candidate to provide the service, although another consultant or individual responded, the agreement can be filed with OFM with a complete explanation as to how the sole source conclusion was reached.

CSO will process the invoice for the advertisement. Charge Codes will be requested for invoice processing from the internal customer to ensure that the appropriate organization is charged for the advertisement and our advertising vendor(s) are paid in a prompt manner. The affidavit of publication will remain in the CSO files.

A&E Agreement(s), Competitive Procedures, Steps 1 - 4

Step 1 - Preparation of Request for Consultant Services

If a new A&E agreement is needed, the first step that must be performed is the completion of a request for consultant services. Depending on the scope of the proposed project, they will need to complete the appropriate request memo listed below. (Please see Appendix 1 for request memo information.)

- A & E Services, Request for Project Specific Competitive Solicitation; or
- A & E Services, Request for On-Call Services Competitive Selection.

Step 2 - Review of Internal Customers Request for Consultant Services

CSO will review the internal customers request for consultant services to ensure that all required information is included in the request memo. We will also ensure that the internal customer utilized the appropriate type of request memo. If the Director of CSO, or delegate, approves the request it will be forwarded to the Director, Environmental & Engineering Programs for approval. After the request is approved, CSO will contact the internal customer via phone, e-mail and/or fax to inform them of the approval to proceed with the next step in the process. If approval is not received, CSO will inform the internal customer as to the reasons why the request was denied and/or identify additional required information that has been requested.

Step 3 - Preparation of Required Advertisement Language for a Competitively Awarded A&E Agreement(s)

The ACL shall provide CSO with a brief project description so that CSO can prepare the advertisement and ensure that all required information is included in the competitive advertisement for an A&E service agreement(s). The advertisement must adequately describe the project and include the evaluation criteria that the consultants must respond to in their request for qualifications. In most situations, each of the scoring criteria will be weighted equally. In addition, the advertisement usually includes the following types of additional information: page limitations, font size requirements, due date for submittals, etc.

Since the agreement is for A&E services, we cannot consider price until the most “qualified” consultant has been selected due to federal “Brooks Act” and RCW 39.80. After consultant selection, the Department will negotiate a fair and reasonable price agreement with the selected consultant. If negotiations cannot be successfully completed, then we would proceed to the next most “qualified” consultant.

Step 4 - Newspaper Advertisement Procedures for a Competitive A&E Agreement(s)

CSO will advertise the solicitation in the Seattle Daily Journal of Commerce and other additional medium, which was requested by our internal customer. In addition, the advertisement is included in our office’s web site at <http://www.wsdot.wa.gov/consulting/>. In most situations, the advertisement will run for two weeks, with a response date due for the consultant’s qualification packet two weeks after the final advertisement run date.

Each responding consultant is required to complete a consultant information packet for themselves and each sub-consultant on their proposed team. If this information is omitted or incomplete, the team’s submittal will be non-responsive, and they will not be considered for the project.

CSO will process the invoice for the advertisement. Charge Codes will be requested for invoice processing from the internal customer to ensure that the appropriate organization is charged for the advertisement and our advertising vendor(s) are paid in a prompt manner. The affidavit of publication will remain in the CSO files.

A&E Agreement(s), Sole Source Procedures, Steps 1 - 2

Step 1 - Preparation of Request for Consultant Services

If a new sole source A&E agreement is needed, the first step that must be performed is the completion of a request for consultant services. Depending on the scope of the proposed project, the ACL will need to complete the appropriate request memo listed below: (See Appendix 1 for request memo information)

- A & E Services, Request for Project Specific Sole Source; or
- A & E Services, Request for On-Call Services Sole Source.

Step 2 - Review of Internal Customers Sole Source Request for Consultant Services

CSO will review the internal customers request for consultant services to ensure that all required information is included in the request memo. We will also ensure that the internal customer utilized the appropriate type of request memo. If the Director of CSO, or delegate, approves the request it will be forwarded to the Director, Environmental & Engineering Programs for approval. After the request is approved, CSO will contact the internal customer via phone, e-mail and/or fax to inform them of the approval to proceed with the next step in the process. If approval is not received, CSO will inform the internal customer as to the reasons why the request was denied and/or identify additional required information.

Once the approval memo is received for the sole source request, please proceed to Chapter 5, if a Pre-Award Audit is required, or Chapter 6, if the Pre-Award Audit is not required.

Annual Roster A&E Service Agreement, Competitive Procedures, Steps 1 - 4

Overview of Annual Roster Procedures for A&E Services

The Department normally advertises for our annual roster in November of each year. Some of the categories of work that have been included in the annual advertisement include:

- On-Call Land Surveying (Above \$350,000);
- On-Call Land Surveying (\$350,000 and Below);
- On-Call Transportation Design/PS&E (Above \$350,000);
- On-Call Transportation Design/PS&E (\$350,000 and Below);
- On-Call Transportation Studies (Above \$350,000); and
- On-Call Transportation Studies (\$350,000 and Below.)

The consultant(s) must identify which dollar threshold amount they are applying for, they cannot submit for both dollar threshold amounts in the same category of work. The intent of creating two-dollar threshold amounts for each category of work was to allow the small and medium size firms a better opportunity of being awarded a project(s) as a prime consultant. The dollar threshold amounts for each category of work may change on a yearly basis. Please contact the Director, CSO to obtain the most recent dollar threshold amount for each category of work.

The procedures for obtaining and utilizing the annual roster are contained in later steps of this process, as applicable.

Step 1 - Preparation of Request for Consultant Services for Annual Roster

CSO will contact each of the ACL's in September-October of each year to inquire as to the potential consultant needs that the department may have in the upcoming year. After CSO has received feedback from the ACL's, they will prepare a request for consultant services to the Director, Environmental & Engineering Programs for approval. This roster is restricted to only those elements of work that are considered A&E services.

Step 2 - Review of Internal Customers Request for Consultant Services for Annual Roster

Due to CSO's preparation of the request for consultant services for the annual roster process, this step is not required.

Step 3 - Preparation of Required Advertisement Language for Annual Roster

CSO will ensure that all required information is included in the advertisement for the Annual Roster. The advertisement must include the categories of work, dollar threshold amounts, and the evaluation criteria that the consultants must respond to in their request for qualifications. Normally, each of the scoring criteria will be weighted equally. In addition, the advertisement will include the following types of additional information: page limitations, font size requirements, due date for submittals, etc.

Since the projects that are selected from the Annual Roster are A&E services, we cannot consider price until the most "qualified" consultant has been selected due to federal and state law. After consultant selection, the Department will negotiate a fair and reasonable price agreement with the selected

consultant, if negotiations cannot be successfully completed, then we would proceed to the next most “qualified” consultant.

Step 4 - Newspaper Advertisement Procedures for Annual Roster

CSO will place the advertisement in the Seattle Daily Journal of Commerce and other minority publications at CSO determination. The advertisement also is included on CSO’s web site at <http://www.wsdot.wa.gov/consulting/> listed under current advertisements. The Annual Roster advertisement will run for two weeks, with a response date due for the consultant’s qualification packet two weeks after the final advertisement run date.

Each responding consultant is required to complete a consultant information packet for themselves and each sub-consultant on their proposed team. If this information is omitted or incomplete, the team’s submittal will be non-responsive, and they will not be considered for the project.

CSO will process the invoice for the Annual Roster advertisement. The affidavit of publication will remain in CSO files.

Chapter 2

Procedures for Evaluating Competitively Solicited Personal Service and/or A&E Agreements through the Scoring of Written Submittals

NOTE: This chapter does not apply to Sole Source Agreements

Step 1 - Review of Consultants Submittal Package to Assure Compliance with Advertising Requirements

After the advertising period has concluded, the consultants respond with their submittal packets to CSO for initial evaluation. In most situations, the consultants will respond with four (4) duplicate submittal packets, one set is kept by CSO and three sets are given to the Department's reviewers for scoring. CSO will ensure that the consultant's submittal meet each of the following advertising requirements:

- Received by Department by the due date;
- Page limitations were not exceeded;
- Font requirements were adhered to;
- Consultant information packet was completed for each firm on the consultant's team; and
- Other advertisement requirements.

If any of the above listed items do not meet the advertising requirements, CSO will contact the consultant and notify them that their submittal packet was non-responsive and will not be considered.

Step 2 - Development of Ranking Score sheet for Consultant Submittals

Once it has been determined that the responding consultants have met the advertising requirements, the next step in the process is to develop a ranking score sheet for the department's submittal reviewers. CSO will develop the score sheet that shall include: name(s) of responding consultants; listing of criteria that will be used to rank the consultants; scoring value of each of the scoring criteria.

Step 3 - Procedures for Obtaining Department Submittal Reviewers and Ranking Consultant Submittals

CSO will contact the ACL to determine the names of the department's employees who will be reviewing the consultant's submittals. Once the score sheet is completed by CSO, the submittals and score sheets will be delivered to the ACL for distribution. The ACL will inform CSO by e-mail the names of the department's reviewers of the submittals. In addition, the ACL will inform the department's reviewers the due date for completing the evaluations. Typically, the submittal reviewers are given from 1 to 3 weeks to complete their evaluations. The completed score sheets will be given to the ACL for their review. If the scores from all three reviewers appear to be reasonable to the ACL, the score sheets will be forwarded to CSO for processing. If CSO determines that the scores are not reasonable, they will contact the reviewer(s) to obtain more information regarding the scores for specific consultants.

Step 4 - Procedures for Creating a Ranked Listing of Consultants Based on Scoring Provided by Department Reviewers

After the consultant scores have been reviewed/approved for reasonableness by CSO the next step in the process is to compile the accumulative scores of the department's reviewers. In addition, CSO will provide and/or obtain the past performance scores for each consultant that was evaluated. Normally, this information is available from consultant evaluation forms that were completed at the end of a previous job with the department and are filed in CSO. If that information is not available, CSO will obtain references for each consultant, this is based on the criteria listed in the department's consultant

evaluation form. In addition, if the project is for Personal Services, CSO will score the cost factors category as well. When the scoring has been tabulated, a ranked listing of consultants will have been created for the project(s).

On-Call Annual Roster

Step 1 - Review of Consultants Submittal Package to Assure Compliance with Advertisement Requirements

After the advertising period has concluded for the annual On-Call consultant roster, the consultants respond with their submittal packets to CSO for initial evaluation. For each category of work that the consultant wants to be considered for possible On-Call projects, the consultant must submit four (4) sets of their submittals. CSO will retain one (1) set of each submittal and provide three (3) sets to the reviewers for each category and dollar threshold of work for scoring. CSO will ensure that the consultant's submittal meet each of the following advertising requirements

- Identify on-call category of work;
- Identify dollar threshold amount;
- Identify region(s) in which they would like to be considered for work;
- Received by Department by the due date;
- Page limitations were not exceeded;
- Consultant information packet was completed for each firm on the consultant's team;
- Advertisement criteria was responded to by consultant; and
- Other advertisement requirements.

If any of the above listed items do not meet the advertising requirements, CSO will contact the consultant and notify them that their submittal packet was non-responsive and will not be considered.

A consultant may not apply for both the above and below dollar threshold amounts for the same category of work regardless of the number of regions that they apply for.

Step 2 - Development of Ranking Score sheet for Consultant Submittals for Annual Roster

Once it has been determined that the responding consultants have met the advertising requirements, the next step in the process is to develop a ranking score sheet for each category of work; dollar threshold; and region roster responders in order to distribute the submittals to the department's submittal reviewers. CSO will develop the score sheet, which includes: name(s) of responding consultants; listing of criteria that will be used to rank the consultants; scoring value of each of the scoring criteria.

Step 3 - Procedures for Obtaining Department Submittal Reviewers and Ranking Consultant Submittals for Annual Roster

CSO will contact the ACL to determine the names of the department's employees who will be reviewing the consultant's submittals. Once the score sheet is completed by CSO, the submittals and score sheets will be delivered to the ACL in each of the Regions for distribution. The ACL will inform CSO by e-mail, the names of the department's reviewers of the submittals. In addition, the ACL will inform the department's reviewers the due date for completing the evaluations. Typically, the submittal reviewers are given from 2 to 4 weeks to complete their evaluations for the annual roster. The completed score

sheets will be given to the ACL for their review. If the scores from all three reviewers appear to be reasonable to the ACL, the score sheets will be forwarded to CSO for processing.

Step 4 - Procedures for Creating a Ranked Listing of Consultants Based on Scoring Provided by Department Reviewers for Annual Roster

CSO will compile the accumulative scores of the department's reviewers for each category of work; dollar threshold amount and each region. In addition, CSO will provide and/or obtain the past performance scores for each consultant that was evaluated. Normally, this information is available from consultant evaluation forms that were completed at the end of a previous job with the department and are filed in CSO. If that information is not available, CSO will obtain references for each consultant, this is based on the criteria listed in the department's consultant evaluation form. When the scoring has been tabulated, a ranked listing of consultants will have been created for each Region and dollar threshold amount for each of the categories of work that was included in the annual advertisement. At this point you are ready to proceed to the next step in the process.

Chapter 3

Procedures for Requesting Selection of Top-Ranked Consultant(s) for a Personal Service and/or A&E Agreement based upon Written Material Only through the Approval of Consultant Selection

NOTE: This chapter does not apply to Sole Source Agreements

Step 1 - Request of Top-Ranked Firm(s) Based Upon Written Material to the Director of CSO

After the Department's reviewers have evaluated the submittals, CSO will contact the project manager to inform him/her of the final ranking of the consultant submittals. The project manager will provide either a memorandum to the Director, CSO requesting the selection of the top-ranked consultant(s) for the project(s) utilizing the following request memo (See Appendix 1 for request memo information.)

- Request to Select Top Firm or Firms from the Ranked Listing

Proceed to Step 3, or Step 2 if Director of CSO deems necessary.

Step 2 - Selection Request of Top-Ranked Consultant(s) from the Director, Consultant Services Office to the Director, Environmental & Engineering Programs

If the Director of CSO determines that further approval is necessary, he/she will prepare a memorandum and support material to the Director, Environmental & Engineering Programs for his/her approval. The memo shall include the following information: Names of consultants who responded to the advertisement; Evaluation criteria for selecting consultant; Name(s) of consultants who are being requested for selection; copy of the accumulative score sheets from the reviewers.

Step 3 - Procedures for Approval or Non-Approval of Top-Ranked Firm(s) by the Director, Environmental & Engineering Programs

If the Director, CSO, and/or Director, Environmental & Engineering Programs (if Step 2 was necessary) concurs with the request for selection of the top-ranked consultant(s) he/she will return the signed approval memo to the Director, CSO.

If the Director, CSO, and/or Director, Environmental & Engineering Programs (if Step 2 was necessary) does not concur with the request for selection of the top-ranked consultant(s) he/she will either contact the Director, CSO or the project manager for further information. After the additional information is provided to the Director, CSO, and/or Director, Environmental & Engineering Programs, he/she will (1) concur with the selection, (2) recommend proceeding to consultant interviews, or (3) recommend selection of the next available consultant on the ranked list for the project.

Step 4 - Notification to Selected Firm(s) and Non-Selected Firm(s)

After the Director of CSO, and/or Director, Environmental & Engineering Programs (if Step 2 was necessary) has approved the selection of the top-ranked consultant(s) the Headquarters CSO will notify the selected firm(s) of their selection for the project. The CSO will notify the approved consultant(s) via telephone and in writing. In addition, each of the non-selected consultant(s) will be notified via telephone and/or in writing of their non-selection for the project.

Usually, CSO will perform the debriefings of the selected and non-selected consultants. CSO may contact those individuals who scored the consultant submittals to obtain additional information necessary for the consultant debriefings.

After the agreement has been signed with the selected consultant, those consultants who were not selected may review all consultants' submittals at CSO.

Chapter 4

Procedures for Requesting Selection of Top-Ranked Consultant(s) for a Personal Service and/or A&E Agreement based upon Written Material and Consultant Interviews through the Approval of Consultant Selection

NOTE: This chapter does not apply to Sole Source Agreements

Step 1 - Request for Consultant Interviews of Top-Ranked Firm(s) Based Upon Written Material to the Director, CSO

After the Department's reviewers have evaluated the submittals, CSO will contact the project manager to inform him/her of the final ranking of the consultant submittals. The project manager will utilize the following request memo to the Director, CSO, requesting interviews of the top-ranked firm(s) for the project(s). (See Appendix 1 for request memo information.)

- Request to Interview or Ask for Additional Qualifying Information from the Top Firms from the Ranked Listing.

The number of firms to be interviewed will be determined on a case-by-case basis by the Director, CSO and/or the Director, Environmental & Engineering Programs. Proceed to Step 4, or Step 2 and 3 if the Director, CSO deems it necessary.

Step 2 - Selection Request for Interviews of Top-Ranked Consultant(s) from Director, CSO to Director, Environmental & Engineering Programs

After the Director, CSO has received the request from the project manager to interview the top-ranked consultants, he/she may prepare a memorandum and support material to the Director, Environmental & Engineering Programs for his/her approval. If deemed necessary, the memo shall include the following information: Names of consultants who responded to the advertisement; Evaluation criteria for determining short-listed consultants; Name(s) of consultants who are being requested for interviews; copy of the accumulative score sheets from the reviewers of the consultant submittals.

If this step is not necessary, proceed to Step 4 of the procedures.

Step 3 - If Necessary, Procedures for Approval or Non-Approval for Interviews of Top-Ranked Consultant(s) by Director, Environmental & Engineering Programs

If deemed necessary by the Director, CSO, the Director, Environmental & Engineering Programs shall review the request and either, concur with the request to interview the top-ranked consultant(s), then he/she will return the signed approval memo to the Director, CSO; or not concur with the request for consultant interviews he/she will either contact the Director, CSO or the project manager for further information. After the additional information is provided to the Director, Environmental & Engineering Programs, he/she will inform the Director, CSO what procedures should be followed.

Step 4 - Notification to Short-Listed Consultant(s) and Non-Selected Consultant(s)

After the Director, CSO, and/or the Director, Environmental & Engineering Programs has approved the request to interview the top-ranked firm(s), CSO will notify the short-listed consultant(s) for the project.

CSO will notify the consultant(s) in one of the following ways: telephone, e-mail, fax, or in writing. In addition, each of the non-selected consultant(s) that were not short-listed will be notified by telephone and/or in writing of their non-selection for the project.

Usually, CSO will perform the debriefings of the non-selected consultants based upon written material only. CSO may contact those individuals who scored the consultant submittals to obtain additional information necessary for the consultant debriefings.

Step 5 - Establish the Consultant Selection Board for Consultant Interviews

CSO will coordinate with the project manager to determine the consultant selection board. Normally, the board is comprised of three (3) members; it may include Executive Management, the Project manager and Senior Level staff. After the board members are confirmed for the project, CSO will inform the consultant selection board in writing of the time and location of the meeting and the interview criteria (including scoring matrix) for the interviews.

Step 6 - Inform Short-Listed Consultants of Interviews for the Project

CSO will notify the short-listed firms in writing regarding the consultant interviews for the project. The letter will contain the following information: time and location of the meeting; interview criteria; points for each criteria; number of participants allowed at the interview; visual aids, if any; format of the interview (amount of time allocated for presentation vs. question/answer).

Step 7 - Conduct Consultant Interviews

The consultant selection board will conduct the consultant interviews with those consultants who were short-listed for the project. They will be the only voting members for the interview procedures. However, other WSDOT participants may be at the interviews but will not have a vote in the selection procedures. CSO will be present at the interviews to ensure that the Department adheres to state and/or federal procurement requirements. If CSO's representative determines that the selection process is not meeting state and/or federal requirements, he/she may act on behalf of the Director, CSO to rectify the situation.

At the conclusion of the interviews, CSO's representative will compile the accumulative scores of the consultant selection board. In addition, the consultant selection board will provide the board chairperson with sufficient information in order to perform debriefings of the short-listed consultants after the selection of the consultant(s) has been approved by the Director, CSO, and/or Director, Environmental & Engineering Programs.

Step 8 - If Deemed Necessary by Director, CSO, Procedures for Approval or Non-Approval of Selected Consultant(s) Based on Interviews by the Director, Environmental & Engineering Programs

If the Director, CSO determines that this step is necessary, he/she shall forward the request for selection of the selected consultant(s) to the Director, Environmental & Engineering Programs for his/her concurrence with the selection based upon the interview procedures. If the Director, Environmental & Engineering Programs concurs, he/she will return the signed approval memo to the Director, CSO.

If the Director, Environmental & Engineering Programs does not concur with the request for selection of the consultant(s) he/she will either contact the Director, CSO or the consultant selection board chairperson for further information. After the additional information is provided to the Director,

Environmental & Engineering Programs, he/she will (1) concur with the selection, (2) recommend selection of the next available consultant from the interviews for the project.

Step 9 - Notification to Selected Consultant(s) and Non-selected Consultant(s)

After the Director, CSO, and/or Director, Environmental & Engineering Programs has approved the selection of the top-ranked consultant(s) CSO will notify the selected consultant(s) of their selection for the project. CSO will notify the approved consultant(s) via telephone and/or in writing. In addition, each of the non-selected consultant(s) will be notified via telephone and/or in writing of their non-selection for the project.

The consultant selection board chairperson will perform the debriefings of the selected and non-selected consultants from the interviews. No other members of the consultant selection board or participants may debrief the interviewed consultants without the consent of the Director, CSO, and the consultant selection board chairperson for the project.

After the agreement has been signed with the selected consultant(s), those consultants who were not selected may review all consultants' submittals at the CSO. The consultants will be allowed to review the submittals and take notes, etc., but they are not allowed to make copies of other consultant's submittals.

Procedures for Utilizing the Annual Consultant Roster

The following is a summation of the On-Call consultant lists for calendar year 2001:

- On-Call Transportation Design/PS&E 350K and Above
- On-Call Transportation Design/PS&E Below 350K

- On-Call Transportation Studies 350K and Above
- On-Call Transportation Studies Below 350K

- On-Call Land Surveying 350K and Above
- On-Call Land Surveying Below 350K

Each of the above lists contains a ranked roster for each region. These lists are also included on our office's website at:

<http://www.wsdot.wa.gov/consulting/>

Step 1 - Request Memo for Utilization of Annual Roster

If the internal customer would like to utilize the Annual Consultant Roster, the first step that must be performed is the completion of a request for consultant services. Please complete the appropriate request memo listed below. (See Appendix 1 for request memo information.)

- A & E Services, Request to Utilize On-Call Annual Roster

If the top-ranked consultant(s) are chosen from the list, then no additional information would be required from the consultant(s). You may proceed into contract negotiations with the consultant(s) after the Director, CSO has approved your request for consultant services.

If the ACL and/or project manager prefer to not utilize the top ranked and/or next available consultant on the list, but would like to consider a different consultant from the list, there are two (2) options:

- Request that additional information may be obtained from a number of consultants on the ranked list. However, the consultants must be considered in sequential order. For example, if the ACL and/or project manager would like additional information from the seventh ranked consultant on the list he/she must request additional information from all remaining consultants ranked higher than seventh. It is also required that the requested information be kept to a maximum of five pages, information recorded on one side, 12 point font, double spaced. This additionally required information must be scored and ranked separately from the original submittal.
- The other option that may be used to select a consultant is the interview procedures. If the ACL and/or project manager choose to use the interview selection procedures he/she must choose from the short list created from the ranked roster. Normally, the top three to five available consultants on the list are interviewed. The interview procedures can take time depending on the availability of board members and scheduling commitments. Please see Interview Procedures, steps 2 - 9.

The Director, CSO must approve either of these options. Approval must be acquired by utilizing the following request memo listed below: (See Appendix 1 for request memo information.)

- Request to Interview or Ask for Additional Qualifying Information from the Top Firms from the Ranked Listing

Step 2A – Approval of Selected Consultant Based Upon Additional Written Material from Annual Roster

If additional written material was utilized for consultant selection from the annual roster, utilize the following memo for selection:

- Request to Select Top Firm or Firms after Scoring Interviews or Additional Qualifying Information

Refer to Chapter 3, Steps 2 – 4 for the remainder of the approval process.

Step 2B – Approval of Selected Consultant Based Upon Consultant Interviews from Annual Roster

If interviews were conducted to select a consultant(s) from the annual roster, utilize the following memo for selection:

- Request to Select Top Firm or Firms after Scoring Interviews or Additional Qualifying Information

Refer to this chapter, Steps 1 – 9 for the remainder of the approval process.

Step 3 – Posting Utilization of Consultant(s) to CSO web site

After the consultant(s) have been selected: a.) Directly from the annual roster; b.) Additional written material; or c.) Interviews, CSO shall post the utilization of the consultant(s) to the CSO web site.

Those consultant(s) will not be eligible to receive a 2nd agreement for that particular category of work. Other Regions may access the On-Call agreement with the requesting Region's permission, and confirmation that the Consultant expressed an interest to perform work in that region. The Consultant available information for the annual roster is available on the CSO web site.

Please note that if the under 350k On-Call consultant lists are utilized, the maximum amount payable of the agreement cannot exceed this dollar threshold amount. The 350k-threshold amount includes any Management Reserve Fund amount.

Chapter 5

Pre-Award Audit Requirements for Agreements that will exceed \$250,000

Note: Applies to all procurement types, sole source and/or competitive solicitation

If the agreement amount is expected to exceed \$250,000, a pre-award audit is required to be performed by the WSDOT Audit Office. In addition, if the consultant has not previously performed work for the Department, a pre-award audit may be performed as well.

Step 1 - Contact WSDOT Audit Office

If the proposed consultant agreement is expected to exceed \$250,000, the agreement and/or project manager must send a request memo to the WSDOT Audit Office requesting a pre-award audit of the consultant. In addition, if the agreement is \$250,000 or less and the agreement and/or project manager deems a pre-award audit to be necessary a request must also be prepared. The memo should indicate the following elements:

- Name(s) of the selected consultant(s);
- Contact name and phone number for each consultant;
- Estimated agreement amount;
- Anticipated agreement payment type;
- Items needed for negotiations, direct labor rates (by employee or classification), overhead rates, reimbursable costs, sub-consultants, etc.; and
- Date the information is needed for negotiations with consultant(s).

This step should be complete prior to the negotiation session(s) with the consultant(s).

Step 2 - Agreement and/or Project Manager Contacts Selected Consultant

After the agreement and/or project manager has sent the request memo for a pre-award audit to the WSDOT Audit Office he/she should contact the selected consultant(s) and inform them of the items that will be needed to expedite the audit process. The consultant should have the requested information available for the auditors prior to the audit visit. This will ensure that minimum delays will be encountered during the pre-award audit process.

Step 3 - WSDOT Audit Office Performs Pre-Award Audit

After the request memo has been received from the agreement and/or project manager, the WSDOT Audit Office will assign an auditor to perform the pre-award audit. The auditor should contact the agreement and/or project manager to inform him/her of an anticipated date of the audit visit and projected completion date of the pre-award audit. After the pre-award audit is complete the WSDOT Audit Office should send a draft version of the audit report to the agreement and/or project manager in order for the negotiation process to begin with the consultant(s).

The pre-award audit report is utilized for negotiation purposes only, if the agreement and/or project manager has questions regarding the results of the audit, please contact CSO or WSDOT Audit Office for assistance.

Chapter 6

Procedures for Negotiating and Executing a Personal Service and/or A&E Consultant Agreement

Step 1 - Negotiating the Agreement

After the consultant has been selected and a pre-award audit (if necessary) was performed the agreement manager will meet with the consultant to negotiate the consultant agreement. There are 3 basic types of payment provisions for consultant agreements:

1. Lump Sum;
2. Cost Plus a Fixed Fee; and
3. Hourly Rate.

If the agreement is a lump sum or cost plus a fixed fee, the agreement manager must negotiate the scope of work for the project and also the associated costs of the work. More information can be found on the negotiation process utilizing the managing project delivery approach in Appendix 17. If the agreement payment type is based on hourly rates, the agreement manager must negotiate hourly rate costs (direct labor rates by classification, overhead rates, fixed fee rates, reimbursable costs) at this point. Normally, the hourly rate agreements are based on task assignments that are negotiated individually when specific projects are required; see Chapter 13 for more information on task assignments.

The negotiation process may take several iterations before it is complete, if you need assistance during the negotiation process, please contact CSO or your ACL

During the negotiation process with the consultant, the ACL shall provide the consultant with the following materials:

- Copy of 48 CFR, Chapter 1, Part 31;
- Copy of the Claims Chapter of this Manual;
- Copy of the Disputes Chapter of this Manual; and
- Copy of the Audit Guide for Consultants.

In addition, the ACL must complete a record of negotiations for the agreement. This document shall include the selected method payment that was chosen, including the rationale for payment selection type and a summary as to financial aspects that were agreed to with the consultant. For example, discussion of direct salary costs, overhead costs, fixed fee percentages and reimbursable costs. This information must be sent to CSO.

Step 2 - Obtain Consultant Signatures for Agreement

Once the agreement has been negotiated with the consultant(s), the next step in the process is for the ACL and/or project manager to obtain the signature of the consultant. The consultant must sign two (2) originals, including the Certification Exhibits, which are included in the boilerplate agreements listed in Appendix 2, to ensure that after agreement execution, both the consultant and the Department have an original document for their files.

Step 3 - Send Signed Agreements to CSO for Processing

After the consultant has signed the agreement, the next step in the process is for the ACL send both originals to CSO for processing. CSO will perform the following functions:

- Obtain agreement number from HEADQUARTERS Accounting Office;
- Perform review of agreement to ensure that applicable federal/state regulations are being met;
- Ensure that the cost exhibit supports the proposed scope of work; and
- If agreement is not a boilerplate, obtain approval from Assistant Attorney General.

If the agreement is for Personal Services and requires filing with the OFM, CSO will send the following information to OFM:

1. Copy of the request memo to OFM;
2. OFM Filing Face Sheet;
3. Information regarding advertising date(s) and location(s);
4. The number of firms responding to the advertisement;
5. The reasonableness of proposed costs for the successful consultant;
6. The selection method used (including score sheets from reviewers); and
7. Ensure that the agreement is not executed without the approval by OFM, if necessary.

In addition, if the agreement is competitively awarded and is less than \$20,000, or if it was a sole source award(s) of less than \$5,000 to a consultant in a fiscal year, CSO will include these agreements in a quarterly report to the of OFM.

Step 4 - Execute Signed Agreements for the Department

After the agreement has been processed by CSO and approved by OFM (if necessary), the next step in the process is the signing of the agreement by the Director, CSO. In special circumstances, the Director, CSO may request that the Director, Environmental & Engineering Programs execute the agreement of behalf of the Department.

Step 5 - Processing of Signed Agreement by CSO

The next step of this process is for CSO to perform the following functions:

- Prepare Agreement Edit Form for HEADQUARTERS Accounting;
- Send (1) original to HEADQUARTERS Accounting;
- Send (1) original to area consultant liaison;
- Keep one copy for Headquarters CSO records;
- If Personal Service agreement, keep copy of OFM Filing Face Sheet approval; and
- Input information into the Headquarters CSO Agreement Database.

Step 6 - Processing of Agreement by the ACL

The last step in this process is for the ACL to perform the following functions:

- Ensure that work order is set up in TRAINS to fund the agreement;
- Send (1) original to consultant;

- Keep (1) copy for records;
- Send (1) copy to project manager; and
- Make additional copies for internal staff, as appropriate.

Chapter 7

Personal Service and/or A&E Emergency Agreement Procedures

The purpose of this section is to provide procedures for the Department to utilize when an emergency situation develops that requires an emergency Personal Services agreement to be executed. An “emergency” situation exists when a set of unforeseen circumstances beyond the control of the Department either presents a real, immediate threat to the proper performance of essential state functions; or which may result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. See the Personal Service vs. A&E Services section of the manual to determine if your proposed project is defined as Personal Services or A&E services.

Step 1 - Request for an Emergency Personal Services, or A&E Services Agreement

The first step in the process is for the ACL to prepare the request memo for an emergency services agreement that includes the following items that are capable of withstanding public, legislative, and executive scrutiny:

- Explanation of the nature of the emergency and relevant circumstances associated with the emergency
- Describe the threat to the health or safety of individuals, property, or essential state functions if immediate action is not taken. Provide an estimate of the potential material loss or damage
- Explanation of how the services of the consultant alleviated or eliminated the emergency
- Describe what the consequences would have been if the emergency action had not been taken and the risks associated with inaction
- Describe the consultant’s qualifications, experience and background to provide the emergency services and the basis on which this consultant was selected over other qualified firms
- Explain how the Department concluded that the costs negotiated are fair and reasonable since competition was not conducted. This item is needed for Personal Service agreements only.

Step 2 - Review of Internal Customers Request for Emergency Consultant Services

CSO will review the internal customers request for emergency consultant services to ensure that all required information is included in the request memo. If the Director, CSO, or delegate, approves the request it will be forwarded to the Director, Environmental & Engineering Programs Division for approval. After the request is approved, CSO will contact the internal customer by either telephone, e-mail and/or fax to inform them of the approval to proceed with the next step in the process. If approval is not received, CSO will inform the internal customer as to the reasons why the request was denied and/or identify additional required information that has been requested.

Step 3 - Negotiate and Execute Emergency Consultant Agreement

Please return to Chapter 6, Procedures for Negotiation and Executing a Personal Service, and/or A&E Consultant Agreement. The process for the emergency contracts does not deviate from the normal consultant agreement process.

Chapter 8

Supplemental Agreement Procedures For Funding Increases for Personal Service and/or A&E Agreements

Step 1 - Request for Supplement to an Agreement

If the potential supplement may increase the maximum dollar amount of the agreement, the first step in the process is for the ACL and/or project manager to determine if a supplement to an agreement is necessary. If yes, he/she should prepare the appropriate request memo as shown on below. (See Appendix 3 for request memo information.)

- Personal Services Request to Supplement for Amount Less than 50% of Original Agreement Amount
- Personal Services Request to Supplement for Substantial Changes or Greater than 50% Increase to Original Agreement Amount
- A&E Services Request to Supplement Including Dollar Increase

The request memo should be forwarded to the Director, CSO for his/her approval.

Step 2 - Review of Request for Supplement to an Agreement

The next step in the process is for the Director, CSO to either approve, or disapprove the request for the supplement. If the request is disapproved, inform the ACL and/or project manager as to the reasons why the request was rejected. If the request is approved, inform the ACL and/or project manager in writing and proceed to the next step.

Step 3 - Negotiating the Supplemental Agreement

After the request to supplement has been approved the next step in the process is to negotiate the supplement with the consultant. If the supplement is for a lump sum or cost plus a fixed fee, the ACL and/or project manager must negotiate the scope of work for the project and also the associated costs of the work. More information can be found on the negotiation process utilizing the managing project delivery approach in Appendix 17.

If the supplemental agreement's payment type is based on hourly rates, the ACL and/or project manager may need to negotiate hourly rate costs (direct labor rates by classification, overhead rates, fixed fee rates, reimbursable costs) at this point. The agreement language must be reviewed by the ACL and/or project manager to determine if the hourly rates are eligible for renegotiation. Normally, the hourly rate agreements are based on task assignments that are negotiated individually when specific projects are required; see Chapter 13 for more information on task assignments.

The negotiation process may take several iterations before it is complete, if you need assistance during the negotiation process, please contact the Headquarters CSO or the ACL for your organization.

In addition, the ACL must complete a record of negotiations for the supplement. This document shall include the selected method payment that was chosen, including the rationale for payment selection type and a summary as to financial aspects that were agreed to with the consultant. For example, discussion of direct salary costs, overhead costs, fixed fee percentages and reimbursable costs. This information must be sent to CSO.

Step 4 - Obtain Consultant Signatures for Supplement Agreement

Once the supplement has been negotiated with the consultant(s), the next step in the process is for the ACL and/or project manager to obtain the signature of the consultant. The consultant must sign two (2) originals to ensure that after the supplemental agreement's execution, both the consultant and the Department have an original document for their files.

Step 5 - Send Signed Supplemental Agreements to CSO for Processing

After the consultant has signed the supplemental agreement, the next step in the process is for the area consultant liaison to send both originals of the supplement to CSO for processing. CSO will perform the following functions:

- Perform review of supplement to ensure that applicable federal/state regulations are being met;
- Ensure that the cost exhibit supports the proposed scope of work; and
- If supplemental agreement is not a boilerplate, obtain approval from Assistant Attorney General.

If the supplemental agreement is for Personal Services and requires filing with the OFM, CSO will send the following information to OFM:

1. Copy of the request memo to OFM;
2. OFM Filing Face Sheet;
3. The reasonableness of proposed costs for the successful consultant; and
4. Ensure that the agreement is not executed without the approval by OFM, if necessary.

Step 6 - Execute Signed Supplemental Agreements for the Department

After the supplemental agreement has been processed by CSO and approved by OFM (if necessary), the next step in the process is the signing of the agreement by the Director, CSO. In special circumstances, the Director, CSO may request that the Director, Environmental & Engineering Programs execute the agreement of behalf of the Department.

Step 7 - Processing of Signed Supplemental Agreement by CSO

The next step of this process is for CSO to perform the following functions:

- Prepare Agreement Edit Form for Headquarters Accounting;
- Send (1) supplement to Headquarters Accounting;
- Send (1) supplement to area consultant liaison;
- Keep one copy for CSO records;
- If Personal Service supplemental agreement, keep copy of OFM Filing Face Sheet approval; and
- Input information into CSO Agreement Database.

Step 8 - Processing of Agreement by ACL

The last step in this process is for the ACL to perform the following functions:

- Ensure that work order is set up in TRAINS to fund the supplemental agreement;
- Send (1) supplement to consultant;

- Keep (1) supplement for records;
- Send (1) copy to project manager; and
- Make additional copies for internal staff, as appropriate.

NOTE: The Department may not authorize work, nor may a consultant begin work on a supplemental agreement without the prior signing of the supplemental agreement by the Director, CSO, or the Director, Environmental & Engineering Programs. It is not permitted to start work prior to the supplement being signed. The only exception is when there are dollars available in the Management Reserve Fund (MRF), the Department may authorize the consultant to perform work under a MRF Letter of Authorization (LOA), based upon the available funds remaining in the MRF. See Chapter 10 regarding MRF procedures.

Chapter 9

Supplemental Agreement Procedures With No Funding Increase or Decrease for Personal Service and/or A&E Agreements

Step 1 - Request for Supplement to an Agreement

If the potential supplement does not increase, or decreases the maximum dollar amount of the agreement, the first step in the process is for the ACL and/or Project manager to prepare the appropriate request memo as shown below: (See Appendix 3 for request memo information.).

- Personal Services Request to Supplement with no Increase, or Decrease to the Agreement Amount
- A&E Services Request to Supplement with No Increase, Decrease to the Agreement Amount

The request memo should be forwarded to the Director, CSO for his/her approval.

Step 2 - Review of Request for Supplement to an Agreement

The next step in the process is for the Director, CSO to either approve, or disapprove the request for the supplement. If the request is disapproved, inform the ACL and/or Project manager as to the reasons why the request was rejected. If the request is approved, inform the ACL and/or Project manager in writing and proceed to the next step.

Step 3 - Obtain Consultant Signatures for Supplement Agreement

Once the supplement has been negotiated (if a decrease, or shifting of funds) with the consultant(s), the next step in the process is for the ACL and/or project manager to obtain the signature of the consultant. The consultant must sign two (2) originals to ensure that after the supplemental agreement's execution, both the consultant and the Department have an original document for their files.

Step 4 - Send Signed Supplemental Agreements to CSO for Processing

After the consultant has signed the supplemental agreement, the next step in the process is for the area consultant liaison to send both originals of the supplement to the Headquarters CSO for processing. The Headquarters CSO will perform the following functions:

- Perform review of supplement to ensure that applicable federal/state regulations are being met;
- Ensure that the cost exhibit (if applicable) supports the proposed scope of work; and
- If supplemental agreement is not a boilerplate, obtain approval from Assistant Attorney General.

If the supplemental agreement is for Personal Services and requires filing with the OFM, CSO will send the following information to OFM:

1. Copy of the request memo to OFM;
2. OFM Filing Face Sheet;
3. The reasonableness of proposed costs for the successful consultant; and
4. Ensure that the agreement is not executed without the approval by OFM, if necessary.

Step 6 - Execute Signed Supplemental Agreements for the Department

After the supplemental agreement has been processed by CSO and approved by OFM (if necessary), the next step in the process is the signing of the agreement by the Director, CSO. In special circumstances,

the Director, CSO may request that the Director, Environmental & Engineering Programs execute the agreement of behalf of the Department.

Step 7 - Processing of Signed Supplemental Agreement by CSO

The next step of this process is for the CSO to perform the following functions:

- Prepare Agreement Edit Form for Headquarters Accounting;
- Send (1) supplement to Headquarters Accounting;
- Send (1) supplement to ACL;
- Keep one copy for CSO records;
- If Personal Service supplemental agreement, keep copy of OFM Filing Face Sheet approval; and
- Input information into the CSO Agreement Database.

Step 8 - Processing of Agreement by ACL

The last step in this process is for the ACL to perform the following functions:

- Ensure that work order is set up in TRAINS to fund the supplemental agreement;
- Send (1) supplement to consultant;
- Keep (1) supplement for records;
- Send (1) copy to project manager; and
- Make additional copies for internal staff, as appropriate.

NOTE: The Department may not authorize shifting of work, decreasing the maximum amount payable, or extending time on a supplemental agreement without the prior signing of the supplemental agreement by the Director, CSO, or the Director, Environmental & Engineering Programs.

Chapter 10

Management Reserve Fund Procedures

The purpose of this section is to document the procedures for the establishment and utilization of the Management Reserve Fund (MRF) on consultant agreements.

Step 1 - Establishment of the MRF

Under most situations, the MRF is established at the beginning of the agreement. However, the MRF may be established in a supplemental agreement as well. When the MRF is initially established it may not exceed \$100,000, if the accumulative agreement amount is \$1,000,000 or more. If the accumulative agreement amount is less than \$1,000,000, the MRF may not exceed 10% of that amount. The Department may not authorize, nor may the consultant utilize the MRF without a written Letter of Authorization (LOA) from the Department.

NOTE: This total accumulative amount authorized for the MRF may not exceed the above listed amounts. For example, if the original agreement is for \$1,000,000, the maximum MRF that may be authorized is \$100,000 and it may not be replenished. There will not be any instances where the MRF is replenished for any agreement.

Step 2 - Department Requests Consultant to Perform Work that is Outside of the Agreement Scope of Work

If the Department wants the consultant to perform additional work that is outside of the agreement's scope of work, one option would be to utilize the MRF. The project manager shall contact the ACL to determine if the additional work can be funded under the MRF amount remaining in the agreement. If the additional work can be performed within that amount, proceed to the next step of the process. If the work cannot be funded under the MRF see Chapter 8 for supplemental agreement process for funding increases section.

Step 3 - Ensuring that MRF can be Funded by Work Order(s)

The ACL and/or project manager shall contact the appropriate Program Management office and set up a work order for the amount of the management reserve fund, or the amount for the anticipated additional work. If this is not possible, the additional work may not be authorized from the MRF. If funds are available, proceed to the next step of the process.

Step 4 - Negotiating the Amount of Additional Work

The project manager and/or ACL shall negotiate with the consultant the scope, schedule, and budget of the additional work. The amount of the additional work may not exceed the balance available in the MRF. The ACL shall ensure that the MRF balance amount is not exceeded.

Step 5 - Letter of Authorization Issued to Consultant

The next step in the process is for the project manager and/or ACL to issue a LOA to the consultant for the additional work. The LOA shall be signed by the Executive or their designee and shall include the following elements:

- LOA Number;
- Start Date of the Work;

- End Date of the Work;
- Scope of Work (Attachment);
- Budget amounts for each firm (Attachment); and
- Fixed fee amounts for each firm (Attachment).

The original LOA shall be sent the consultant and copies shall be sent to the ACL and CSO.

Step 6 - Recording LOA into Electronic System

CSO shall input the LOA into the electronic agreement tracking system. However, the ACL is responsible for ensuring that each LOA meets the above requirements and a copy of the LOA is sent to CSO for input.

NOTE: The MRF maximum accumulative amount authorized through LOA's shall not exceed \$100,000, or 10% of the authorized agreement amount (excluding MRF) for the life of the agreement.

The following scenarios will illustrate the intent of the above paragraph:

- If the accumulative authorized agreement amount exceeds \$1,000,000, the maximum amount of accumulative MRF that may be authorized through LOA's shall not exceed \$100,000.
- If the accumulative authorized agreement amount is \$300,000, the maximum amount of accumulative MRF that may be authorized through LOA's shall not exceed \$30,000.

The MRF shall not be replenished at any time during the life of the agreement. The MRF may be increased but it may not be replenished. For example, if the original agreement was for \$600,000 and had a \$60,000 MRF, and supplement number 1 was for \$500,000, the MRF may be increased by \$40,000. This allows for a maximum of \$100,000 for the MRF since the maximum amount payable of the agreement was \$1,100,000. No additional MRF increases would be allowed on the agreement regardless of any future supplements.

Chapter 11

Agreement Termination Procedures

The purpose of this section is to establish a procedure regarding the termination of a consultant agreement.

Step 1 - Department Ensures that the Consultant has Met the Conditions of the Agreement

The first step in the process is for the ACL to contact the Department's project manager to ensure that the consultant has completed the scope of the agreement, including any possible claim procedures. If the project manager agrees that the consultant has successfully completed the agreement, the ACL shall process the final voucher to the consultant for payment through the comptroller's office.

Step 2 - Complete Performance Evaluation for Consultant

The next step in the process is for the ACL and/or Department project manager to complete a WSDOT Form 272-019 "Performance Evaluation Consultant Services." The ACL shall ensure that the entire evaluation form has been completed, not just the cover page. The supplemental information sheets will provide support data for each criterion that is being evaluated. The ACL and the project manager shall sign the Performance Evaluation Form.

After the performance evaluation has been reviewed by the ACL, he/she shall send the performance evaluation to their Executive for his/her approval of the performance evaluation for the consultant. The signed performance evaluation form must have the signatures from the Executive, ACL and project manager before the evaluation is forwarded to the consultant.

Step 3 - Distributing the Signed Consultant Evaluation Form

After the performance evaluation has been signed, the ACL shall create a termination letter for the agreement. He/she shall attach the termination letter to the original performance evaluation and send them to the consultant. The ACL shall distribute the signed performance evaluation to the following:

- Director, Consultant Services Office; and
- Audit Office.

Step 4 - Distributing the Project Closure Survey to Department Personnel and the Consultant if the Negotiation Procedures for Managing Project Delivery was Utilized

If the Managing Project Delivery Negotiation Procedures was utilized during the agreement, the ACL shall distribute the project closure survey (Appendix 16) to all Department staff that was involved in the process as well as the consultant team. The completed forms should be returned to the Director, CSO.

Step 5 - Termination of Agreement File

After CSO receives a copy of the termination letter and the consultant performance evaluation, they will perform the following functions:

- Ensure that the performance evaluation form is included in the electronic filing system;
- The agreement file is purged, with appropriate correspondence being sent to the comptrollers office, and agreement information is sent to the Headquarters Audit Office;

- Send a letter to the comptroller's office requesting the termination of the agreement from the TRAINS system; and
- If the agreement exceeds \$100,000, (excluding lump sum agreements) send a request to audit letter to the Headquarters Audit Office.

If there is no audit of the agreement, stop here.

Step 6 - Audit of the Agreement

If the Headquarters Audit Office performs an audit of the agreement, they shall send a copy of the final audit report to the consultant and the Audit Resolution Officer (if necessary) for final resolution.

If audit resolution is not necessary, stop here.

Step 7 - Audit Resolution of the Agreement

If necessary, the Audit Resolution Officer shall arrange for a meeting with the Headquarters Auditor and the consultant to discuss the audit findings. In addition, it may be necessary to meet with the project manager and ACL for their input. If the agreement has federal dollar, he/she shall meet with FHWA to obtain their input regarding possible resolution of the agreement.

After the agreement is resolved, it may be necessary to pay, or receive money from the consultant due to the audit finding(s). The Audit Resolution Officer shall coordinate with the ACL to ensure that the consultant the work order is opened to receive, or make payment to the consultant.

Chapter 12

Consultant Claim Procedures

The purpose of this section is to establish a procedure regarding a consultant claim(s) on a consultant agreement. The following procedures should only be utilized on consultant claims greater than \$1,000. If the consultant's claim(s) total \$1,000 or less, it would not be cost effective to proceed through the outlined steps. It is suggested that the ACL and/or project manager negotiate a fair and reasonable price for the consultant's claim(s), which total \$1,000 or less.

The section will outline the procedures that must be followed by the consultant and the Department to consider a potential claim by the consultant.

Step 1 - Consultant Files a Claim with the Department's Project Manager

If the consultant determines that they were requested to perform additional services that were outside of the agreement's scope of work, they may be entitled to a claim. The first step that must be completed is the request for consideration of the claim to the Department's project manager.

The consultant's claim must outline the following:

- Summation of hours by classification for each firm that is included in the claim;
- Any correspondence that directed the consultant to perform the additional work;
- Timeframe of the additional work that was outside of the project scope;
- Summary of direct labor dollars, overhead costs, profit and reimbursable costs associated with the additional work; and
- Explanation as to why the consultant believes the additional work was outside of the agreement scope of work.

Step 2 - Review by Department Personnel Regarding the Consultant's Claim for Additional Compensation

After the consultant has completed step 1, the next step in the process is to forward the request to the Department's project manager. The project manager will review the consultant's claim and will meet with the ACL and/or Executive to determine if the Department agrees with the claim. If the FHWA is participating in the project's funding, forward a copy of the consultant's claim and the Department's recommendation for federal participation in the claim.

If the project manager, ACL, Executive and FHWA (if applicable) agree with the consultant's claim, send a request memo, including backup documentation to CSO to either supplement the agreement, or create a new agreement for the claim. After the request has been approved, the project manager and/or ACL shall write the supplement and/or new agreement and pay the consultant the amount of the claim. Inform the consultant that the final payment for the agreement is subject to audit. No further action is needed regarding the claim procedures.

If the Department does not agree with the consultant's claim, proceed to step 3 of the procedures.

Step 3 - Preparation of Support documentation regarding consultant's claim(s)

If the Department does not agree with the consultant's claim, the project manager and/or ACL shall prepare a summary for the Director, Environmental & Engineering Programs that includes the following information:

- Copy of information supplied by the consultant regarding the claim;
- Department's summation of hours by classification for each firm that should be included in the claim;
- Any correspondence that directed the consultant to perform the additional work;
- Department's summary of direct labor dollars, overhead costs, profit and reimbursable costs associated with the additional work;
- Explanation regarding those areas in which the Department does/does not agree with the consultant's claim(s);
- Explanation to describe what has been instituted to preclude future consultant claim(s); and
- Recommendations to resolve the claim.

Step 4 - Director, Environmental & Engineering Programs Reviews Consultant Claim and Department Documentation

The Director, Environmental & Engineering Programs shall review and administratively approve or disapprove the claim, or portions thereof. If the project involves federal participation, obtain concurrence from FHWA regarding final settlement of the claim.

He/she shall advise the Secretary of Transportation of consultant claims that may display high public interest, are of a sensitive nature, or have major impact.

Step 5 - Informing Department Personnel and Consultant of Decision Regarding the Claim

The Director, Environmental & Engineering Program shall notify (in writing) the Director, CSO, Department Executive, ACL and/or project manager of his/her final decision regarding the consultant's claim(s). Include the final dollar amount of the accepted claim(s) and rationale utilized for the decision.

The project manager and/or ACL shall notify (in writing) the consultant of the Director, Environmental & Engineering Program's decision.

Step 6 - Preparation of Supplement, or New Agreement for Consultant Claim(s)

The project manager and/or ACL shall write the supplement and/or new agreement and pay the consultant the amount of the claim. Inform the consultant that the final payment for the agreement is subject to audit.

Step 7 - Filing with OFM Regarding Supplement, or New Agreement for Consultant Claim(s)

If the agreement and/or supplement regarding the consultant claim are a Personal Services agreement, the Director, CSO will file the appropriate documentation and agreement/supplement for the claim for OFM's approval.

Chapter 13

Task Order Document Procedures

The purpose of this section is to outline the procedures that must be utilized when a negotiated, or provisional task order agreement is established with a consultant. After the master On-Call task order agreement with the consultant has been executed the Department may not authorize, nor may the consultant perform work without a written task order document

Step 1 - Verify that Funds are Remaining in the Master Agreement

The task manager should contact the ACL and/or CSO to determine if there are remaining funds in the agreement. If the proposed task amount is less than or equal to the available funds remaining in the agreement, proceed to the next step in the process. If not, the ACL should contact CSO for assistance, or utilize a different On-Call agreement.

Step 2 - Obtaining the Task Order Form

The next step in the process is for the ACL, or task manager to access the electronic task order form. This form is available through the following procedures:

- Proceed to Microsoft Outlook;
- Click on Public Folders;
- Click on WSDOT;
- Click on Filemaker Forms;
- Click on WSDOT Forms;
- The task order form is 130-010 – Task Order; and
- Please save this form as task order form in your “C” drive or your designated server for your organization. You will not be able to make changes to the form if you do not save the document outside of the WSDOT Forms.

Step 3 - Completing the Header of the Task Order Form

The next step in the process is for the ACL, or task manager to complete the following required data elements on the header of Task Order Form:

- Agreement Number (This will normally be a “Y” Agreement);
- Task Number (This will always be AA, AB, AC...ZZ);
- Amendment Number (On the original task this is 00, if you are amending an existing task begin with 01); and
- Work Order Number(s) (Include all work orders, dollars, and percentage assigned to each work order for the task order).

Step 4 - Completing the Project Information Section of the Task Order Form

The ACL, or task manager shall complete the following information in the Project Information section of the task order:

- Project Title;
- State Route Number (If applicable);
- Organization Codes of office charging to the Work Order(s) for the task;

- Federal Aid Project Number(s) (If applicable);
- Federal aid participation percentages for each federal aid number (If applicable); and
- Amount allocated to each federal aid number for the task (If applicable).

Step 5 - Completing the Task Manager and Consultant Sections of the Task Order Form

The next step in the process is for the ACL, or task manager to complete the Task Manager and Consultant Sections of the Task Order Form. The required data elements for the Task Manager section are:

- Name of Task Manager;
- Phone number of Task Manager;
- Task Manager's Mail stop Number; and
- Mailing Address of Task Manager.

The required data elements for the Consultant section are:

- Name of Consultant;
- Address of Consultant;
- Contact Name for the Consultant;
- Contact Name's phone number; and
- Consultant's Federal Identification Number.

Step 6 - Completing the Scope of Work Section of the Task Order Form

The next step in the process is for the ACL, or task manager to complete the Scope of Work Section of the Task Order Form. The ACL and/or task manager should meet with the consultant to determine the scope of work for the task. After the scope of work has been developed and agreed to by the State and the Consultant, the ACL or task manager shall complete the following required information for the Scope of Work section of the Task Order Form:

- Clear, concise scope of work that provides a work breakdown structure, description of roles and responsibilities, schedule, and any milestones must be met. Normally, the scope of work is included as an attachment to the Task Order Form; and
- In addition, there must be an attachment to the Task Order Form that contains a detailed estimate for the task and subtasks that outlines the following:
 1. Classification of employee whom will be performing the work;
 2. Number of hours for each classification for each task and/or subtask;
 3. Rate of pay for each of the employees listed in the task;
 4. Any reimbursable direct costs proposed; and
 5. Total costs for the prime consultant and each of the sub-consultant(s).

The above information listed under items 1 - 4 is required for the prime consultant and each sub-consultant.

If the task is being amended, the scope and cost estimate will reflect the additional costs (if any) of the amendment. In addition, include an explanation of the need for the amendment, i.e., change in scope, time extension, additional services required.

The ACL shall ensure that all personnel who will be working on the task conform to the hourly billing rates in the master agreement. If the ACL and/or task manager determines that either the prime consultant or any sub-consultant includes unapproved personnel or billing rates, contact CSO before proceeding to the next step of the process.

Step 7 - Re-Verify that Funds are Available in the Master Agreement for the Negotiated Task Order

After the scope of work and cost estimate have been determined for the task, the next step in the process is for the ACL and/or task manager to ensure that:

- There are adequate funds in the master agreement to fund the task order. If not, the ACL shall contact CSO for direction; and
- Contact the appropriate program management office to determine if adequate funds are available in the work order.

If adequate funds are available in the master agreement and the work order has been set up with sufficient funds, proceed to the next step of the process.

Step 8 - Complete the Task Schedule and Cost Section of the Task Order Form

The next step in the process is for the ACL and/or task manager to complete the task schedule and cost section of the form. The following sections must be completed for a new task order:

- Pretask start date – If the Department requested the consultant to provide the scope of work, or participate in the Scoping Procedures utilizing Managing project delivery, the consultant could not begin work before this date;
- Pretask amount – Complete this section if the consultant was involved in pretask activities;
- Task start date – Date consultant may begin work on the task;
- Task amount – Amount authorized for the consultant's team; and
- Task End Date – Date the work must be completed for the task.

If the task is being amended, the ACL and/or task manager shall complete the following sections under the Task Amendment column:

- Previous amount authorized for the task, including prior amendments;
- Start date for the amended work (Not the start date of the original task);
- Amount for the amended work;
- End date for the amended work; and
- Total amount of the task, including amendment(s).

Before proceeding to the next step, the ACL shall ensure that the start and/or end date of each task, including amendments are not outside of the timeframe of the master agreement. If this is not the case, contact CSO for assistance.

Step 9 - Executing the Original and/or Amended Task Order

The final step of this process is for the ACL and/or task manager to obtain the consultants signature on two (2) original task order forms. After this has been accomplished, obtain the signature of the Regional Administrator, Director, or their designee on both originals. After this has been accomplished send the signed task order forms to the following:

- One (1) original to the Consultant;
- One (1) original to Headquarters Accounting;
- One (1) copy to the ACL;
- One (1) copy to the Task Manager; and
- One (1) copy to CSO.

The consultant may not begin work before the effective start date of the task order.

Note: For certain types of On-Call task order agreements, the agreement manager may require his/her signature on the completed task order form. Please check with the agreement manager before executing the task order.

Chapter 14

Alleged Consultant Design Error Procedures

The purpose of this section is to establish a procedure to determine if a consultant's alleged design error is of a nature that exceeds the accepted standard of care. In addition, it will establish a uniform method for the resolution and/or cost recovery procedures in those instances where the Department believes it has suffered some material damage due to the alleged design error by the consultant.

Step 1 - Potential Consultant Design Error(s) is Identified by Department's Project Manager

At the first indication of potential consultant design error(s), the first step in the process is for the Department's project manager to take the following action:

- Immediately notify his/her supervisor and the ACL regarding the potential design error(s).

Step 2 - Area Consultant Liaison Responsibilities Regarding the Alleged Consultant Design Error(s)

The next step in the process is for the ACL to meet with the appropriate Executive Staff and the project manager to discuss the alleged consultant design error(s) and the magnitude of the alleged error(s). In addition, the project manager's staff shall be instructed to obtain more detailed documentation than is normally required on the project. Examples include: all decisions and descriptions of work; photographs, records of labor, materials and equipment.

Step 3 - Contact the Consultant Regarding the Alleged Design Error(s)

If it is determined that there is a need to proceed further, the next step in the process is for the ACL to contact the consultant regarding the alleged design error(s) and the magnitude of the alleged error(s). He/she will arrange for a meeting between the Department and the consultant to discuss the alleged design error(s). The ACL, Executive and project manager should represent the Department at the meeting and the consultant should be represented by the project manager and any personnel (including sub-consultants) deemed appropriate for the alleged design error(s) issue.

Step 4 - Attempt to Resolve Alleged Design Error with Consultant

After the meeting(s) with the consultant have been completed regarding the consultant's alleged design error(s) there are three possible scenarios:

- It is determined via mutual agreement that there is not a consultant design error(s.) If this is the case, then the process will not proceed beyond this point;
- It is determined via mutual agreement that a consultant design error(s) occurred. If this is the case, then the Executive shall assist the ACL, and/or project to negotiate a settlement with the consultant. The settlement would be paid to the Department, or the amount would be reduced from the consultant's agreement with the Department for the services that the design error took place. No further action is required; or
- There is not mutual agreement regarding the alleged consultant design error(s.) The Consultant may request that the alleged design error(s) issue be forwarded to the Director, Environmental & Engineering Programs Division for initial review. It may be determined that there is a need to form a Review Committee to resolve the alleged consultant design error(s) issue. If this is the case, proceed to step 5 of the procedures.

Step 5 - Director, Environmental & Engineering Programs Division is Informed of Alleged Consultant Design Error

The Executive and/or ACL shall contact the Director, Environmental & Engineering Programs Division and inform him/her of the alleged consultant design error. The Director, Environmental & Engineering Programs Division shall perform the following functions:

1. Review all available information, including costs, and determine the appropriateness of attempting to secure reimbursement from the consultant for the legally recoverable additional costs incurred as a result of the alleged consultant design error(s);
2. If necessary, request assistance from the Attorney General's Office for legal interpretation;
3. If the Director, Environmental & Engineering Programs Division determines that further action is not necessary, he/she will inform (in writing) the Executive, ACL, and/or project manager as to the decision made and the rationale behind the decision. The Executive and/or the ACL would inform the consultant (in writing) of the decision. No further action is necessary; and/or
4. If the Director, Environmental & Engineering Programs Division determines that the Department should pursue the alleged design error(s) of the consultant, he/she shall organize the Review Committee to determine if the design error(s) occurred and the magnitude of the error(s). The following members shall constitute the Review Committee:
 - Director, Environmental & Engineering Programs Division;
 - Department Executive for the Project;
 - State Construction Engineer;
 - Representative from the Consulting Engineers Council of Washington (CECW); American Institute of Architects (AIA); Society for Naval Architects and Marine Engineers (SNAME), as deemed appropriate for the project; and
 - Representative from the FHWA; Federal Railroad Administration (FRA); Federal Aviation Administration (FAA); U.S. Coast Guard, as deemed appropriate for the project.

Step 6 - Review Committee Determines if there was a Consultant Design Error

The Department and the consultant will make separate presentations to the Review Committee regarding the alleged consultant design error(s). This may require multiple presentations by either side to the committee. After the Review Committee has disseminated all of the information, the Director, Environmental & Engineering Programs Division will perform the following functions:

- Lead the Review Committee in its deliberations to determine if the consultant was negligent, in terms of the appropriate standard of care to the profession, if reimbursement should be pursued, and amount of requested reimbursement. If the Review Committee determines that there is not a design error(s), notify (in writing) the Executive, ACL and/or project manager and the consultant of the decision and the rationale supporting the decision.
- If the Review Committee determines the Consultant committed a negligent design error and the consensus of the Committee is to recommend reimbursement from the consultant, notify (in writing) the consultant and the Director, Environmental & Engineering Programs Division of the decision and outline the options for repayment or appeal;
- Take the lead in negotiating a settlement with the consultant;

- If the consultant agrees to reimburse the Department through deductions from other payments due, notify (in writing) the Comptroller to make appropriate deductions and release the consultant from further liability;
- If the consultant repays in full, acknowledge receipt and tender release from further liability for the specific error;
- If the consultant refuses repayment, does not appeal the decision, and has payments due from other agreements, notify (in writing) the Comptroller and advise him/her to withhold payments due the consultant;
- If the consultant refuses repayment, does not appeal the decision, and has no other payments due, notify (in writing) the Office of Attorney General to proceed with legal action;
- If the consultant requests an appeal of the Review Committee's decision, notify (in writing) the Director, Environmental & Engineering Programs Division of this request. Provide all pertinent details concerning the alleged error and actions and decisions to date; and
- Notify (in writing) the consultant of any actions taken pursuant to the above listed information.

If consultant does not appeal the decision of the Review Committee, do not proceed beyond this step.

Step 7 - Consultant Requests an Appeal of the Review Committee's Decision

If the consultant requests an appeal, the Director, Environmental & Engineering Programs Division of shall perform the following functions:

- Establish a three (3) member Appeal Committee. These members shall include:
 1. Director, Environmental & Engineering Programs Division;
 2. One (1) mutually agreed upon member from the CECW, AIA, or SNAME; and
 3. These two members shall select a mutually agree upon third member.

In the event of an impasse in the selection of the third member either the state, consultant, or both may appeal to the American Arbitration Association (AAA) for selection of the third member by AAA. The AAA shall submit a list of three design professionals for consideration as the third member. If the state and consultant cannot agree upon the third member, the AAA shall select and appoint the third member. An impasse shall be considered to have been reached if the two members appointed by the state and the consultant for the committee are unable to appoint the third member in a period of 45 days after approval of the last of such two members.

All costs and fees billed by AAA and their representative for their member's services to the committee shall be equally shared by the state and consultant.

Each committee member's term shall be limited to a specific project and its disposition.

The state will pay travel and per diem at current state rates for the state's member and half of the third member's costs. The consultant will be responsible for those costs associated with their member and half of the third member's costs.

- Schedule a meeting of the Appeal Committee to establish procedures and distribute details and documents regarding the alleged consultant design error;
- Lead the Appeal Committee in its deliberations to determine if the appropriate standard of care in the profession was displayed by the consultant for the project;
- After the Appeal Committee has determined whether the alleged design error has been substantiated, inform the consultant and the Review Committee (in writing) of the decision; and
- Proceed as outlined in Step 6 if the Appeals Committee determines that the consultant has committed a design error.

NOTE: Although both parties should place weight upon the Appeal Committee's recommendations, they are not binding. Either party may appeal a recommendation to the Appeal Committee for reconsideration. However, if the Appeal Committee's recommendations do not resolve the dispute, all records, and written recommendations, including any minority reports, will be admissible in any subsequent litigation.

In the event that the consultant commences a lawsuit, all action by the Department, under this manual, shall stop and the matter will be given to the Office of Attorney General for action.

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Appendix 1

Listing of Available Request Memos for New Agreements on Exchange E&E Programs – Consultant Services Office

Personal Services Request Memos

- Personal Services, Request for Project Specific Competitive Selection
- Personal Services, Request for On-Call Services Competitive Selection
- Personal Services, Request for Project Specific Sole Source
- Personal Services, Request for On-Call Services Sole Source

A&E Services Request Memos

- A&E Services, Request for Project Specific Competitive Selection
- A&E Services, Request for On-Call Services Competitive Selection
- A&E Services, Request for Project Specific Sole Source
- A&E Services, Request for On-Call Services Sole Source
- A&E Services, Request to Utilize On-Call Annual Roster

Note: The requests memos are updated on a periodic basis, so please ensure that you are utilizing the most current version each time.

Appendix 2

Listing of Available Boilerplates for New Agreements on either the Consultant Services Office's (CSO) Website, or on Exchange for E&E Programs – Consultant Services Office

CSO Website

Personal Service and A&E Agreements (Informational Copy)

- Cost Plus a Fixed Fee
- Lump Sum
- Task Order Negotiated Hourly Rate
- Task Order Provisional Hourly Rate
- Negotiated Hourly Rate
- Provisional Hourly Rate

Exchange for E&E Programs Division – Consultant Services Office

- Disputes Review Board State Member
- Disputes Review Board 3rd Party Member
- Cost Plus a Fixed Fee, Personal Services and A&E
- Lump Sum, Personal Services and A&E
- Task Order Negotiated Hourly Rate, Personal Services and A&E
- Task Order Provisional Hourly Rate, Personal Services and A&E
- Negotiated Hourly Rate, Personal Services and A&E
- Provisional Hourly Rate, Personal Services and A&E

Note: The agreements are updated on a yearly basis, so please ensure that you are utilizing the most current version each time.

Appendix 3

Listing of Available Request Memos for Supplemental Agreements on Exchange for E&E Programs – Consultant Services Office

- Personal Services, Request to Supplement for amount less than 50% of original agreement amount
- Personal Services, Request to Supplement for substantial changes, or greater than 50% increase to original agreement amount
- Personal Services, Request to Supplement with no increase, or decrease to Agreement amount
- A & E Services, Request to Supplement Including Dollar Increase to Agreement
- A & E Services, Request to Supplement with no increase, or decrease to Agreement amount

Note: The requests memos are updated on a periodic basis, so please ensure that you are utilizing the most current version each time.

Appendix 4

Listing of Available Supplemental Agreements on Exchange for E&E Programs Division – Consultant Services Office

- Personal Service and/or A & E Agreements
- Cost Plus a Fixed Fee Additional Money
- Cost Plus a Fixed Fee Additional Time and Money
- Lump Sum Additional Money
- Lump Sum Additional Time and Money
- Negotiated Hourly Rate to Cost Plus A Fixed Fee Additional Money
- Negotiated Hourly Rate to Cost Plus A Fixed Fee Additional Time and Money
- On-Call Additional Money
- On-Call Additional Time and Money
- Provisional Hourly Rate to Negotiated Hourly Rate, no Other Changes
- Provisional Hourly Rate to Negotiated Hourly Rate Additional Money
- Provisional Hourly Rate to Negotiated Hourly Rate Additional Time
- Provisional Hourly Rate to Negotiated Hourly Rate Additional Time and Money
- Time Extension Only
- Time Extension and Scope Clarification

Note: The requests memos are updated on a periodic basis, or more may be added, so please ensure that you are utilizing the most current version each time.

Appendix 5

Responsibilities for Director of Consultant Services

The Director, CSO, assigned by the Director, Environmental & Engineering Programs shall:

- Exercise responsibility for the implementation of these policies and procedures;
- Provide administrative support and guidance to the consultant selection process that is utilized, whether the process is based upon written material and/or consultant interviews;
- Represent the CSO during the consultant selection procedures;
- Coordinate with the ACL's from Headquarters, the Regions, and the Divisions for the consultant selection, negotiation, and agreement administration process;
- Provide information to the WSDOT Secretary of Transportation, Director, Environmental & Engineering Programs Division, and other WSDOT Executive staff; OFM; Office of Equal Opportunity (OEO); FHWA or other federal agencies; Washington State Legislature; other state agencies; and the general public regarding WSDOT's utilization of consultant agreements and/or supplements;
- Ensure that Personal Service agreements are filed with OFM in accordance with state regulations; and
- Provide training to ACL's regarding agreement processes for Personal Service and A&E agreements and/or supplements.
-

Appendix 6

Responsibilities for Area Consultant Liaisons (ACL)

The ACL's, appointed by Assistant Secretaries, Directors and Regional Administrators which were approved by the Secretary of Transportation shall:

1. Provide a point of contact to the Director, CSO for each of the areas within the Department to ensure that Personal Service and A&E processes are followed;
2. Disseminate policies and procedures to each of the employees within the ACL's office, division, region, etc.;
3. Provide assistance to each of the employees within the ACL's office, division, region, etc. for Personal Service and A&E agreements regarding the following areas:
 - Request for Consultant Services and Supplemental Agreement Process;
 - Options for Consultant Selection;
 - Negotiation Procedures;
 - Support Documentation Required for Agreement and/or Supplement;
 - OFM Filing Requirements for Personal Service Agreements and/or Supplements;
 - Biztrak Requirements (Database tracking system);
 - MRF Procedures;
 - Agreement Monitoring and/or Payment Procedures;
 - Task Order Procedures; and
 - Consultant Evaluation.
4. Provide point of contact for consultant community for the following areas:
 - Potential upcoming projects;
 - Responding to questions regarding current advertisements, generally scope of work related;
 - Provide information regarding upcoming negotiation sessions, general meetings, etc.;
 - Updating consultant as to the status of their agreement and/or supplement;
 - Providing consultant with notice to proceed for agreement and/or supplement;
 - Questions regarding contract terms;
 - Scope of work clarifications;
 - Provide information regarding payment status of progress billings; and
 - Other requests as necessary.

Appendix 7

Personal Service Filing Requirements with OFM for Agreements and/or Supplements

Personal Service Agreements/Supplements	Dollar Threshold for Filing with OFM	OFM Review or Approval	Filing Period
Sole Source and/or Competitive Agreements	\$1-\$4,999	No Reporting	Not Required
Sole Source Agreements and Supplements (single or accumulative award to a consultant in a fiscal year)	\$ 5,000-\$19,999	Review*	10-working day advance filing
	\$20,000 or more	Approval	
Emergency Agreements and Supplements	\$5,000 or more	Review*	3 working days from the date of execution, or start of work, whichever is sooner
Competitive Agreements and Supplements (not included in the categories below)	\$1-\$4,999	None	Not Required
Competitive Agreements and Supplements (not included in the categories below)	\$ 5,000-\$19,999	No Approval/ Ann. Report	Not Required
	\$20,000 or more	Review*	
Competitive Agreements and Supplements for Management Consulting; Organizational Development, Marketing, Communications, Employee Training and Employee Recruiting	\$20,000 or more See Definitions section of this manual for definitions of these types of services	Approval	10-working day advance filing

Supplements to competitive or sole source agreements that result in the agreement amount being greater than 50 % of the original agreement value and/or supplements which constitute a substantial change in the scope of work (see note)	\$5,000 or more (Agreement when supplemented equals \$5,000 or more)	Approval	10-working day advance filing
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NOTE: Supplements are required to be filed for Personal Service agreements that are filed. When a supplement falls into this category, however, it is also subject to approval.

*If agreement supplements in these categories result in the agreement exceeding 50% of the original agreement amount or if they make a substantial change in the scope of work, the supplement is subject to OFM approval, rather than to review. Such supplements should be filed under the >50 % supplement category.

Definitions of “Substantial” changes to agreements are those that represent a significant change in quantity, duration, nature, or cost of the work. An example of an allowable substantial change to an agreement would be when a agreement is broken into phases and approval of additional phases (through supplements) is subject to satisfactory completion of a previous phase, and the phasing was documented in the solicitation document, or the original agreement. Another option would be to extend a two-year agreement an additional year. However, this would have required language in either the solicitation document, or the original agreement language.

NOTES: Supplemental agreements, which are not required to be filed with OFM, include the following:

- A) Those which result in administrative changes only to the agreement such as address changes, staffing changes, changing from provisional to negotiated hourly rates, budget line item adjustments which do not revise the total agreement cost; and
- B) Those awarded at the end of the agreement term, solely for the purpose of extending the agreement for two months or less. This provision applies only once, per agreement. It is not intended to authorize multiple short-term time extensions.

The Department must report all competitively awarded Personal Service agreements in the range of \$5,000 to \$19,999 to OFM at the end of each fiscal year.

Appendix 8

Definitions of Personal Service Agreement and/or Supplement(s) that Require Filing with OFM

Management Consulting

Includes, but is not limited to, services to assist management of WSDOT with operation or management of the department, or units or divisions of the department and services which may impact department rule, regulatory issues or services that have broad department implications. This also includes services to assist management with program development, implementation, coordination, or evaluation; and services which result in operational or managerial recommendations, assessments, reports, and studies. It also includes studies requested by the Legislature and feasibility studies.

Management consulting also includes services for strategic planning, goal setting, needs assessment, business process re-engineering, and facilitators for staff functions or focus groups, harassment and related investigations, mediation and lobbying.

Also includes services for the design, development and/or implementation of major department information processing or telecommunications systems; re-engineering of major information technology systems; quality assurance on or evaluation of such systems; and development of information technology strategic plans.

Organizational Development

Includes, but is not limited to, services to study, analyze or review the organizational structure, framework or culture of the department or divisions within the department, and services implementing the recommendations of such a study or effort. Organizational development also includes services, which provide recommendations to management on enhanced efficiencies, productivity and process improvements, and quality control in the organization.

Marketing

Includes, but is not limited to, services to develop or implement a marketing or advertising plan or campaign; services related to marketing the department's service; public relations or media services; market research and development; and services provided to promote the department or a program of the department.

Also included are public involvement services (when not part of an A&E agreement); trade development and assistance; development of market research or customer satisfaction surveys and/or assessment of survey results; conference or trade show coordination; fund raising and related services.

Communications

Includes, but is not limited to, services for design, development or oversight of audio/visual media productions, brochures, manuals, newsletters, maps, signs, posters, annual reports, etc.; technical writing/editing; speech writing; grant writing; graphic design services; development of communications strategies; and other related services procured by the department to inform the public or other governmental agencies about a subject.

This category excludes services related to installation of computer system linkage and telecommunications systems.

Employee Training

Includes training services procured to meet employee training needs, managerial training, and employee counseling services, guest speakers, and curriculum development.

The only employee training services exempt from this designation are those for purchased service training. Purchased service training is that which is offered to all or more employees on a continual and recurring basis (more than six times per year) or satellite training. It is the intent of the Legislature that employee training agreements be submitted to OFM for approval, with the exception of those that clearly fit the definition of purchased service training.

Agreements awarded to provide training to local governments or other public or private are not included in the “employee training” filing category, but are still to be treated as Personal Services and filed.

Employee Recruiting

Services performed by a professional search firm to assist in recruitment of a successful candidate to fill a vacant position in the department.

Appendix 9

WSDOT Rule on Consultant's Overhead Costs

The Department has the following policies regarding each consultant's overhead costs:

- There is not a limit on a consultant's maximum overhead rate. We will accept an overhead rate that adheres to the CFR 48 Part 31. The WSDOT Audit Office, or the consultant's cognizant audit agency may perform the audit of the consultant's overhead rate.

The WSDOT Audit Office is available to assist the ACL's to determine if the consultant has a current audited overhead rate, or if one needs to be performed. In addition, CSO is tracking consultant's overhead costs in their electronic system and also may be contacted for assistance.

The Department has the following policies regarding changes to a consultant's overhead rate during the terms of an agreement:

Cost Plus Fixed Fee

When an Actual Cost Overhead method is used, the Consultant (prime and all sub-consultants) will submit to the State within six (6) months after the end of the prime consultant's fiscal year, an overhead schedule in the format required by the State (cost category, dollar expenditures, etc.) for the purpose of adjusting the overhead rate for billing purposes. It is intended that the prime consultant would send the information as a packet, including all sub-consultants. The six (6) month window for each of the sub-consultant(s) may have already closed, but the overhead rate(s) may be adjusted for all firms on the agreement if the information is received within the six (6) month window for the prime consultant. The adjusted overhead rate shall be used for the computation of progress payments during the following year and for retroactively adjusting the previous year's overhead cost to reflect the actual rate. This information shall be sent to:

Washington State Department of Transportation
Consultant Service's Office
Capital View II Building, 2nd Floor
724 Quince Street SE, Olympia, WA 98501
P.O. Box 47323, Olympia, WA 98504-7323

Failure to supply this information by either the prime Consultant or any of their sub-consultants shall cause the State to withhold payment of the billed overhead costs until such time as the required information is received and an overhead rate for billing purposes is approved.

If the overhead rate(s) have increased, the MRF may be utilized to pay for the additional costs. If the overhead rate(s) have decreased, a supplemental agreement may be necessary to adjust for the lower overhead costs.

However, the actual overhead rate for each of the firms on the agreement is subject to audit. The intent of the previous paragraph is to potentially eliminate large audit exceptions and/or additions due to consultants billing inaccurate overhead rates.

Negotiated Hourly Rates (Including Task Order)

The overhead rate(s) for the prime consultant and each of the sub-consultants shall be used for the first twelve (12) month period after agreement execution and shall be subject to negotiation for the following twelve (12) month period upon request of the Consultant or the State. The consultant may contact the ACL or CSO to request a negotiation of overhead rates for the following 12-month period. If negotiations are not conducted for the second or subsequent 12-month periods within ninety (90) days after completion of the previous period, the overhead rates listed in this agreement, or subsequent written authorization(s) from the State shall be utilized for the life of the agreement.

The overhead rates for the prime consultant and sub-consultant(s) are not subject to a post audit of overhead costs by the WSDOT Audit Office. The overhead billing rate(s) utilized by the prime consultant and each sub-consultant shall be binding and non-adjustable.

Provisional Hourly Rates (Including Task Order)

The actual overhead rate(s) for the prime consultant and each of the sub-consultants shall be determined by a pre-award audit. The provisional overhead rate(s) shall be utilized until the audit has been completed. The audit shall determine each of the firm's actual overhead costs. Once the audited overhead rates are determined, they will be in effect for the remainder of the first 12 months after the agreement execution date. After the first twelve (12) month period has expired, the overhead rate(s) shall be subject to negotiation for the following twelve (12) month period upon request of the Consultant or the State. The consultant may contact the ACL or CSO to request a negotiation of overhead rates for the following 12-month period. If negotiations are not conducted for the second or subsequent 12-month periods within 90 days after completion of the previous period, the overhead rates listed in this agreement, or subsequent written authorization(s) from the State shall be utilized for the life of the agreement.

The overhead rates for the prime consultant and sub-consultant(s) are not subject to a post audit of overhead costs by the WSDOT Audit Office. The pre-award audit may change some of the proposed overhead billing rates. However, after the overhead rates have been adjusted per the audit recommendations, no further overhead adjustments will be provided via an audit.

Lump Sum

The overhead rate is not subject to an audit. Once the overhead rates for the prime consultant and each sub-consultant are established, they will be utilized for the remainder of the agreement. However, if the agreement is supplemented, a different overhead rate may be negotiated with the prime consultant or any of the sub-consultants. Please contact your ACL for the CSO for assistance on the supplemental agreement.

Appendix 10

Payment Options for Consultant's Profit Amount and/or Percentage

There are three (3) main types of payment provisions that the Department utilizes for consultant agreements:

- Cost Plus Fixed Fee Agreement;
- Lump Sum; and
- Hourly Rates (Includes Task Order.)

When a Cost Plus Fixed Fee (CPFF) Agreement is selected, the prime consultant and each sub-consultant agree to a set amount of fixed fee that is determined during the negotiation procedures. In addition, a specific line item is included in the cost exhibit that reflects the fixed fee amount(s). The fixed fee amount is also shown on the cover sheet of the agreement for the prime consultant. On a CPFF Agreement, the consultant and sub-consultant(s) are guaranteed a set fixed fee amount that will be paid based upon the agreed scope of work, this assumes that zero (0) supplements are needed during the duration of the agreement. If supplement(s) are required, the ACL and/or project manager shall determine if the additional scope of work is considered extra work, thus eligible for additional fee. If this were the case, the consultant would be paid the additional fixed fee after the extra work had been completed.

On a CPFF Agreement, the prime consultant and sub-consultant(s) may submit monthly billings that include fixed fee progress payments, with the balance of the fixed fee being included in the final progress billings.

On a Lump Sum Agreement, the fixed fee amount is determined during the negotiation procedures for the prime consultant and sub-consultant(s) and is included as a line item on each firm's cost exhibit. The fixed fee amount for the prime consultant is included on the cover page of the agreement. The consultant and each sub-consultant are guaranteed the specified fixed fee amount, assuming that the agreement was not supplemented for additional work. If supplement(s) are required, the ACL and/or Project manager shall determine if the additional scope of work is considered extra work, thus eligible for additional fee. If this were the case, the consultant would be paid the additional fixed fee after the extra work had been completed.

On a Lump Sum Agreement, the prime consultant and sub-consultant(s) may submit monthly billings that include fixed fee progress payments, with the balance of the fixed fee being included in the final progress billing(s).

On a Hourly Rate Agreement, the project manager and/or ACL negotiate with the prime consultant to determine a fixed fee percentage for the prime consultants and sub-consultant(s) that will be applied as an hourly profit percentage for the life of the agreement. In most situations, the profit percentage for the sub-consultant(s) will not exceed the profit rate for the prime consultant. The profit percentages will remain unchanged for the life of the agreement, regardless if there are supplement(s) to the original agreement.

Appendix 11

Consultant Fee Calculation Worksheet

After the payment method for the agreement has been negotiated with the consultant the next step in the process is to negotiate a profit/fixed fee amount or percentage with the consultant. If the agreement payment type is a lump sum, or cost plus fixed fee, the ACL and/or project manager shall negotiate a fixed fee percentage for the negotiated scope of work. After the fixed fee percentage is determined, it will be applied to the total direct labor costs to determine the fixed fee amount for the agreement. If the agreement is supplemented, it must be determined if the additional work is eligible for fixed fee. If yes, the fixed fee percentage for the additional work may, or may not be the same as the fixed fee percentage for the prior work.

If the agreement is for on-call (including task orders) work, the ACL and/or project manager will negotiate a fixed fee/profit percentage that will be to each hour that is billed by the consultant. This fixed fee/profit percentage will not be affected by any supplemental agreement; the percentage will remain the same for the life of the agreement.

Regardless of the payment provisions of the consultant agreement, the fixed fee/profit percentage should be determined for the prime consultant and each sub-consultant on the team. The ACL and/or project manager shall provide the Consultant Fee Calculation Worksheet to the prime consultant during the negotiation procedures. After the scope of work has been finalized discuss the state's calculation for fixed fee/profit and compare it to the consultant's calculation. The ACL and/or project manager shall negotiate the fixed fee/profit percentages with the prime consultant, but only after the prime consultant and each sub-consultant have completed the Consultant Fee Calculation Worksheet. It is possible that the prime consultant may have a different fixed fee/profit percentage than their sub-consultants.

The weighted guidelines are a suggested technique to provide the state and the consultant to determine a reasonable fixed fee/profit percentage for the agreement. This technique will ensure consideration of the relative value of the appropriate factors in the establishment of a fixed fee/profit percentage for the agreement

When negotiating a fixed fee and/or profit as an element of the agreement's price, the ACL and/or project manager shall negotiate a reasonable fixed fee and/or profit for each agreement and supplement by utilizing the following procedure:

Weighted Guidelines			
<i>Factor</i>	<i>Rate</i>	<i>Weight</i>	<i>Value</i>
Degree of Risk	25		
Relative Difficulty of Work	20		
Size of Job	15		
Period of Performance	15		
Assistance by the State	15		
Sub-consulting	10		
Total			

Based on the circumstances of each agreement and/or supplement, each of the above factors shall be weighted from .17 to .35 as indicated below. The value shall be obtained by multiplying the rate by the weight. The value column, when totaled, indicate the fair and reasonable fixed fee and/or profit percentage of the direct (raw) labor costs for the agreement and/or supplement.

Degree of Risk: Where the design involves no risk or the degree of risk is very small the weighting should be .17; as the degree of risk increases, the weighting should be increased up to a maximum of .35. Agreements with options will have, generally, a higher weighted value than contracts without options for which quantities are provided. Other things to consider: nature of design, responsibility for design reasonableness of negotiated costs, amount, and type of labor included in costs, amount of executive management/principal time required.

Relative Difficulty of Design: If the design is most difficult and complex, the weighting should be .35 and should be proportionately reduced to .17 on the simplest of jobs. This factor is tied in, to some extent, with the degree of risk. Some things to consider: the nature of the design, what is the time schedule; etc.; and rehabilitation of new work.

Size of Job: All agreement (estimated) total costs less \$100,000 shall be weighted at .35. The fixed fee percentage should be proportionately weighted for those projects between \$100,000 and \$5,000,000 may be proportionately weighted from .34 to .21. Agreements from \$5,000,000 to \$10,000,000 may be proportionately weighted from .21 to .17 and work in excess of \$10,000,000 at .17

Period of Performance: Agreements and/or supplements that are 24 months or longer, are to be weighted at .35. Agreements of lesser duration are to be proportionately weighted to a minimum of .17 for work less than two (2) months.

Assistance by the State: To be weighted from .35 in those situations where few items are provided by the state to .17 in those situations where the state provides many items. Things to consider: existing design or plans, mapping, quantities, surveys, geotechnical information, etc.

Sub-consulting: To be weighted in proportion to the amount of sub-consulting. Where 40% or more of the design is to be contracted, the weighting is to be .35 and such weighting proportionately decreased to .17 where all the design is performed by the consultant's own forces.

Note: If the Federal Highway Administration (FHWA) funds the project, the allowable fixed fee/profit percentage may not exceed 15% of direct labor plus overhead costs. In addition, the fixed fee/profit percentage may not exceed 35% of direct labor costs only.

Appendix 12

Calculation of Direct Salary and Salary Escalation Costs (If applicable) for Different Types of Consultant Agreements

After the agreement's scope of work has been determined the ACL and/or project manager will need to negotiate direct salary rates for the agreement. In addition, it may be necessary to negotiate salary escalation costs for those hours that will be worked in later fiscal year(s) by the consultant and sub-consultants. The process identified below will assist in providing a consistent application to all consultants regardless of their type of agreement or their fiscal year.

Cost Plus Fixed Fee, or Lump Sum Agreements

The ACL and/or project manager should obtain a list of all personnel whom will be working on the agreement for the prime consultant and each sub-consultant. This information should include the following:

- Employee Name;
- Employee's Job Classification;
- Employee's Salary Rate;
- Percentage of total hours for the job classification that the employee will be working; and
- Proposed weighted Salary Rate for each Job Classification.

Below is an example of the consultant's required information for salary costs:

Job Classification	Employee Name	Salary Rate	Percentage of Time of Job Classification Hours	Weighted Salary Rate	Salary Rate Utilized in Agreement
Principal	John Doe	45.05	80%	\$36.04	
	Fred Smith	65.00	20%	\$13.00	
					49.04
Project Manager	Jane Thomas	40.25	100%	\$40.25	
					40.25
Senior Engineer	George Jones	34.00	40%	\$13.60	
	Tami Johnsen	28.50	35%	\$9.98	
	Jim Chamberlain	20.75	25%	\$5.19	
					28.76
CAD Operator	Tonya Cain	14.50	60%	\$8.70	
	Jordan McIntosh	17.00	25%	\$4.25	
	Ann Bauer	20.50	15%	\$3.08	
					16.03

Clerical	Erica Wood	15.75	75%	\$11.81
	Tom Thomsen	14.00	20%	\$2.80
	Joanie Jett	12.00	5%	\$0.60

15.21

Note: The names of employees will not be included in the agreement and/or supplement. They were utilized in the verification of the consultant's proposed direct labor rates for each category only.

If the agreement and/or supplement is a Lump Sum, or Cost Plus Fixed Fee, the consultant may be entitled to salary escalation costs for those direct salary costs that may be incurred in subsequent fiscal years for the consultant. To determine the salary escalation costs, the following procedures should be followed:

- Determine the total direct salary costs for the life of the agreement and/or supplement;
- Determine the percentage of work that is projected to be performed in subsequent fiscal years; and
- Negotiate a salary escalation percentage for each subsequent year. It is recommended that the percentage should not exceed a 7% annual increase.

The salary escalation for the prime consultant and each sub-consultant are eligible for fixed fee/profit and overhead expenses.

An example of applying the salary escalation costs for the prime consultant is outlined below:

Job Classification	Hours	Salary Rate	Direct Salary Costs
Principal	80	\$49.04	\$3,923
Project Manager	600	\$40.25	\$24,150
Senior Engineer	1,450	\$28.76	\$41,702
CAD Operator	600	\$16.03	\$9,618
Clerical	400	\$15.21	\$6,084
Totals	3130		\$85,477

Calculation of Salary Escalation Costs for Prime Consultant

Fiscal Year	Direct Salary Costs	% of Work to be Completed in Fiscal Year	Escalation %	Salary Escalation Costs
2001	\$85,477	25%	0%	\$0
2002	\$85,477	60%	6%	\$3,077
2003	\$85,477	15%	12%	<u>\$1,539</u>
				\$4,616

Based upon the above example the Prime Consultant's total direct salary costs would be determined by adding \$85,477 + \$4, 616 = \$90,093.

In addition, each of the sub-consultants may be entitled to salary escalation costs. The same process would be followed, but the percentage of work to complete in a fiscal may be different for each firm.

Hourly Rate (Including Task Order) Agreements

The ACL and/or project manager should obtain a list of all classifications of personnel whom will be working on the agreement for the prime consultant and each sub-consultant. This information should include the following:

- Proposed Job Classifications; and
- Proposed Salary Rate(s) for each Job Classification.

The ACL and/or project manager should negotiate salary escalation costs for each proposed job classification, it is recommended that the maximum escalation percentage be limited to 7% per year. The salary rate table for the prime consultant and each sub-consultant should include the low salary rate for each job classification and the high salary rate for each job classification, with an additional maximum of 7% for salary escalation for the 1st year of the agreement. The ACL and/or project manager may renegotiate salary rates for subsequent years of the agreement.

Appendix 13

WSDOT Rule on Disadvantaged/Minority/Women Business Enterprise (D/M/WBE) Participation on Consultant Agreements

For state funded projects only, the Department utilizes a voluntary goal of 10% MBE participation and 6% WBE participation program wide on consultant agreements. The amounts authorized and amounts paid to M/WBE consultants are reported to the Office of Women and Minority Business Enterprises on a yearly basis.

For all projects that include participation by the FHWA, the department must comply with the “Disadvantaged Business Enterprise Program Plan” that is negotiated on a yearly basis by the Office of Equal Opportunity (OEO) and FHWA. There are two types of DBE participation, race-neutral means and race-conscious means. If it is determined that the agreement will utilized race-neutral means, then all DBE participation is voluntary. If it is determined that race-conscious means are necessary, then the consultant must commit to at least that percentage of participation by DBE consultants. If race-conscious goals are being placed on an agreement, see the “DBE Participation Calculation Methodology” to calculate the DBE participation percentage.

Both the Race-Neutral and Race-Conscious DBE participation amounts are reported on an annual basis to the FHWA.

Appendix 14

Invoice Processing Procedures

The project manager and/or the ACL shall review the progress billings to ensure that all billed costs are in accordance with terms of the agreement. They shall review the following items that are billed on each progress billing:

Cost Plus a Fixed Fee or Lump Sum Agreement

- Direct Salary Costs;
- Overhead Costs;
- Fixed Fee Costs;
- Sub-consultant Costs;
- Direct Reimbursable Costs; and
- Overall Math Check.

Task Order Hourly Rate or Hourly Rate Agreement

- Hourly rates billed for each classification are within agreement terms;
- Sub-consultant Costs;
- Direct Reimbursable Costs; and
- Overall Math Check.

If problems exist, contact the consultant to discuss and/or correct the problem.

After the invoice has been accepted, the project manager and/or ACL shall either input the payment into the TRAINS system, or forward the billing to the appropriate person within their organization for invoice processing. The Department has 30 days to process an “acceptable” invoice without incurring interest charges.

After the invoice has been input into the TRAINS system, the project manager and/or ACL shall forward a copy of the invoice, including the TRAINS Voucher and attachments to CSO.

In addition, the project manager and/or ACL shall ensure that each prime consultant completes the Certification of Payment Receipt Form for each sub-consultant on a monthly basis. Also, the prime consultant must complete the form if no sub-consultants are utilized during a month. This form is available on CSO web site.

CSO shall input the invoice details for the prime consultant and each sub-consultant on a monthly basis into the Biztrak system.

In addition, the ACL and/or project manager shall either:

- Instruct the consultant to forward the Certification of Payment Receipt to the COS directly; or
- Keep a copy of the Certification of Payment Receipt in their files and forward the original to CSO.

CSO shall input the details of the Certification of Payment Receipt into the Biztrak system. The information will be available for the ACL to review in the Biztrak system.

Appendix 15

Managing Project Delivery and Consultant Negotiations Measures of Success

The participants of the 1999 CECW/WSDOT Annual Conference identified the contract negotiation procedures as the highest need for improvement. A team consisting of WSDOT representatives from each region and the Design Office and CECW members representing small and large firms was formed. This team documented a negotiation procedures based on Managing Project Delivery (MPD) principles.

The team would appreciate your feedback on the MPD Negotiation Procedures both immediately following your negotiations and at project closure. Please submit the completed survey to:

Director, Consultant Services
Capital View II Building, 2nd Floor
724 Quince Street SE, Olympia, WA 98501
PO Box 47323, Olympia, WA 98504-7323

You are the:

- ☐ Project Executive
- ☐ Project Manager
- ☐ Team Leader
- ☐ Lead Technician
- ☐ Sub-consultant
- ☐ Consultant Liaison
- ☐ Other: _____

Your role in the negotiation procedures:

- ☐ I signed the agreement but did not participate in the negotiations.
- ☐ I represented my firm/WSDOT project office at the negotiation table.
- ☐ I provided information that was used in the negotiations.
- ☐ I was the WSDOT Consultant Liaison.
- ☐ Other:

Negotiation Survey

Based on your involvement with the negotiation procedures, how well do you agree with the following statements? 5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

1. The independent estimates demonstrated a common understanding of the scope of work, the levels of effort required and the Work Breakdown Structure (WBS).
5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree
2. Because the independent estimates did not have major areas of differences, the face-to-face negotiations focused on documenting common understanding of scope, schedules and budgets. The actual hours required in face to face negotiations were reduced.
5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree
3. You were familiar with the MPD Negotiation Procedures flowchart and narrative before the consultant selection for this project.
5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

4. The MPD Negotiation Procedures flowchart and narrative provided the documentation necessary for me to understand my responsibilities and how the process will work.
5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree
5. Additional training in Managing Project Delivery principles and the negotiation flowchart is needed.
5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree
6. The MPD Negotiation Procedures meetings were effectively facilitated.
5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree
7. Adding a trained, independent facilitator would have increased productivity of the face-to-face meetings.
5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

Tell us how we can improve the negotiation procedures: _____

Agreement Number: Y- _____
Supplement or Task #: _____

Name: _____

Appendix 16

Managing Project Delivery and Consultant Negotiations Measures of Success

The participants of the 1999 CECW/WSDOT Annual Conference identified the contract negotiation procedures as the highest need for improvement. A team consisting of WSDOT representatives from each region and the Design Office and CECW members representing small and large firms was formed. This team documented a negotiation procedures based on Managing Project Delivery (MPD) principles.

The team would appreciate your feedback on the MPD Negotiation Procedures both immediately following your negotiations and at project closure. Please submit the completed survey to:

Director, Consultant Services
Capital View II Building, 2nd Floor
724 Quince Street SE, Olympia, WA 98501
PO Box 47323, Olympia, WA 98504-7323

You are the Consultant:

- ☐ Project Executive
- ☐ Project Manager
- ☐ Team Leader
- ☐ Lead Technician
- ☐ Sub-consultant
- ☐ Other: _____

You are the WSDOT:

- ☐ Project Executive
- ☐ Project Manager
- ☐ Team Leader
- ☐ Lead Technician
- ☐ Consultant Liaison
- ☐ Other: _____

Project Closure

Based on your involvement with the consultant agreement, how well do you agree with the following statements? 5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

1. Using the MPD Negotiation Procedures gave the project team a common understanding of the scope of work, the levels of effort required and the project Work Breakdown Structure (WBS). Because of the common understanding developed during the negotiation procedures, the team's focus remained on the plan and the project's goals rather than reverting to finger pointing.

5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

2. Any unanticipated changes to scope, schedule, and budget of the project were easy to identify and manage.

5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

3. Our team members regarded and used each other as resources in addressing challenges as they occurred.

5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

4. All team members were aware of and used the scope, schedule, WBS, and budget to manage their work.

5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

5. Our team members were aware of how the work of others impacted them and how their work impacted others.

5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

6. Our team members worked together to manage normal challenges within the bounds of the agreed to scope, schedule, and budget.

5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

7. Overall our WSDOT and consultant team members functioned and felt like one team.

5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

8. Overall our WSDOT and consultant team members had confidence and felt ownership in the project plan.

5=strongly agree 4=agree 3=neutral 2=disagree 1=strongly disagree

Comments: _____

Agreement Number: Y-_____

Name: _____

Supplement or Task #: _____

Appendix 17

Managing Project Delivery Negotiations Procedures

Negotiations Flow Chart Narrative

Section 1 Project Definition and Consultant Selection

This section consists of:

- Step 1: Project Definition
- Step 2: Consultant Selection
- Step 3: Phase 1 Scoping Agreement

Step 1 Project Definition

Who: Regions establish a Project Definition Team for each project, and assign a Project Manager to lead and coordinate the project.

What: The WSDOT Project Definition Team establishes the following expectations at the project definition stage:

- Project Title.
- Preliminary Team Chartering elements,
 - Project vision,
 - Team mission
 - Boundaries
 - Goals
 - Measures of success
- Preliminary customers and stakeholders
- Project Work Plan that includes preliminary:
 - Scope
 - Work Breakdown Structure (WBS)
 - Schedule
 - Delivery date for product(s)
 - Budget
- Endorsement from the Department's authorized representative.

Outcome: Defined project expectations.

When the project is defined and approved, the Project Team can determine whether consultant services are needed.

◆ **Decision Point Diamond:** The department determines whether consultant services will be needed for the project.

Step 2 Consultant Selections

- Who:** The Project Manager works with WSDOT Consultant Services Office to select a Consultant to provide services for all, or part of the project.
- When:** After the Region's Program Management Office verifies funding for the project, and after the Assistant Secretary for Environmental and Engineering approves the request for consultant services.
- What:** Follow the Advertisement, Selection, and Award procedures in the Consultant Services Manual WSDOT M27-50.
- Outcome:** Consultant selected for the project.

Step 3 Phase 1 Scoping Agreement Preparations and Execution

- Who:** The Consultant Services Office prepares a Phase 1 Scoping Agreement with the Consultant, and obtains approval from the Assistant Secretary for Environmental and Engineering.
- When:** This step process as soon as possible after the Consultant has been selected for the project.
- What:** The Phase 1 Scoping Agreement is used to establish reimbursable billing rates for Steps 4 through 8 of the Negotiations Procedures.

The Consultant and sub-consultant billing rates for Phase 1 include only direct labor and overhead costs. Billing rates are established when the Consultant Services Office obtains form the Consultant, and any sub-consultants, the rates for those individuals and/or job classifications that will be working on Steps 4 through 8 of this Negotiations Procedures.

Profit will not be paid to the Consultant for Phase 1. The department will pay only reimbursable costs based on the Phase 1 Scoping Agreement. Before any work begins, the Assistant Secretary for Environmental and Engineering must approve the Phase 1 Scoping Agreement.

- Outcome:** A signed agreement for the Phase 1 scoping process between WSDOT and the Consultant.

Section 2 Phase 1 Scoping Agreement

The Diagram on Exhibit (FILL IN BLANK) illustrates the evolution of teams through this section. This section consists of:

- Step 4: Develop Negotiation Work Plan
- Step 5: Determine Agreement Scope of Work Team

- Step 6: Define Charter Elements for the Project Delivery Team
- Step 7: Develop the Project Work Plan
- Step 8: Preparing the Agreement Scope of Work
- Step 9: Determining the Type of Supplemental Agreement

Step 4 Develop Negotiation Work Plan

Who: WSDOT and the Consultant form a Core Group to develop the Negotiation Work Plan. It is recommended that a facilitator – proficient in the application of the Managing Project Delivery procedures – be utilized.

The WSDOT participants are usually the WSDOT Project Manager, his/her assistant, and possibly other personnel whose expertise is needed. A Consultant Services Office representative is usually available for this process.

The Consultant' participants are usually the Consultant Project Manager, and team leaders from each of the sub-consultants.

When: This process should occur immediately after the Phase 1 Scoping Agreement has been signed.

What: The Core Group performs the following functions:

- Select the Negotiation Team Members
- Develop the procedures for the negotiations
- Determine a preliminary schedule for the negotiations
- Outline the responsibilities of the Negotiations Team

A role of facilitator should be to guide the team towards a means of developing a priority listing providing a clear definition of team member responsibilities.

Outcome: A Negotiations Work Plan which includes a schedule (through Step 13,) and the responsibilities of each Negotiation Team member.

Step 5 Determine Agreement Scope of Work Team

Who: Negotiation Team members selected in Step 4.

When: After Step 4.

What: Determine the WSDOT and Consultant members for the Agreement Scope of Work Team. This team usually consists of technical staff from WSDOT and the Consultant; it may also include customers and/or stakeholders, and is representative of the full project development team that is yet to be convened (see step 14.)

The Negotiations team will determine the Agreement Scope of Work Team's preliminary responsibilities and schedule.

Outcome: The result is an Agreement Scope of Work Team with specific duties and responsibilities scheduled.

Step 6 Define Chartering Elements for the Project Delivery Team

Who: The participants are the Agreement Scope of Work Team (representative of the full Project Delivery Team) and it is recommended that a facilitator – proficient in use of the Managing Project Delivery procedures – be utilized.

When: Development of chartering elements for the Project Delivery Team will be initiated at the team's first meeting.

What: Develop chartering elements for the Project Delivery Team, including the following:

- Project vision, team mission, boundaries and goals for the project
- Identify the preliminary customers and stakeholders for the project
- Define roles and responsibilities for the Project Delivery Team
- Develop measurements of success and a change management framework for the project

Outcome: The result will be documentation of the team chartering elements as defined as the "what" section above.

Step 7 Develop a Project Work Plan for the Agreement

Who: The Agreement Scope of Work Team consisting of WSDOT and Consultant representatives and a facilitator.

When: The development of this Project Work Plan should occur after team-chartering elements have been prepared and before hours and dollars are discussed for the project.

What: The Agreement Scope of Work Team will develop the following for the project:

- Project Work Plan that includes a Work Breakdown Structure (WBS), and all deliverables
- Expectations for the project
- Project Schedule
- A Disadvantage Business Enterprise (DBE) preliminary requirement for the project, if federal funds are included in the project.
- Dollars and hours are not discussed during this step of the process.

Outcome: Agreement Scope understanding as captured in the above “what” elements.

Step 8 Preparing the Agreement Scope of Work

Who: The Agreement Scope of Work Team consisting of WSDOT and Consultant representatives.

When: This process may go through several reiterations before it is finalized by the team and before hours and dollars are discussed for the project.

What: The Agreement Scope of Work Team will determine the following:

- Define the project’s expectations
- Level of detail expected for each of the work elements of the project
- Outline the methodology used to perform the work. Clarifications are addressed and resolved.
- If there is federal participation the team is required to define the DBE requirement participation percentage and ensure that this requirement is met by following the appropriate methodology defined in the WSDOT DBE Participation Plan.
- Dollars and hours are not discussed during this step of the process.

Outcome: A document describing the collaboratively developed Agreement Scope of Work.

Critical Note: Payments are terminated for the Phase 1 scoping process at the conclusion of this step of the process for the Consultant and sub-consultants.

Step 9 Determining the type of Supplemental Agreement

Who: Usually the Department’s Project Manager, a representative from the Consultant Services Office and the Project Manager for the consultant. There may be additional members on the team that could be determined on a case-by-case basis.

When: This step usually occurs following the reiterations for the project’s scope of work. However, it could be completed simultaneously with that process.

What: The team agrees on the type of supplemental agreement.

Outcome: Agreed upon type of supplemental agreement.

- ◆ **Decision Point Diamond: Was there joint endorsement of the Agreement scope? If yes, proceed to the next step of the process. If no, please return to the developing the project work plan step (Step 6 or 7 as appropriate.)**

Section 3 Negotiations

This section consists of:

- Step 10: Independent Estimates of Hours and Costs;
- Step 11: Face-to-Face Negotiations; and
- Step 12: Validate Funding and Resources.

Step 10 Independent Estimates of Hours and Costs

- Who:** This may include members from the Negotiation Team and/or members from the Agreement Scope of Work Team. WSDOT and the consultant each form independent teams for this step.
- When:** Immediately following the joint endorsement of the Agreement Scope (including completion of the Work Plan, Scope of Work and Determining the Supplemental Agreement type steps.)
- What:** Each team prepares the following proposals for the independent estimates of hours and costs:
- Categories of work elements
 - Categories of personnel who will be assigned to the project
 - Number of hours for each category of personnel along with the work element that each individual will be working on
 - Direct labor rates for each proposed category of employee
 - Supporting documentation for the direct labor rates.
 - Overhead rates, including justification
 - Reimbursable costs for the project.
 - Profit for the project.

It is important that WSDOT verifies that funding is available based upon their independent estimate of costs for the project.

- Outcome:** Comprehensive independent estimates by the WSDOT and consultant for the project, which are the basis for negotiations.

Step 11 Face-to-Face Negotiations

- Who:** The Negotiation Team consisting of selected members from WSDOT and the Consultant Team. Usually the WSDOT Project Manager and a consultant liaison

representative will represent the Department. The prime consultant's Project Manager and sub-consultant's task managers usually represents the consultant team. However, there may be a need for a financial representative from the prime consultant

When: Immediately following Step 10.

What: Independent estimates are compared, differences are negotiated and both sides reach a consensus regarding those items that are included in Step 10 of the process

Outcome: Level of effort and cost supplemental agreement for the project.

◆ **Decision Point Diamond:** If consensus is reached on the supplemental agreement, proceed to the next step of the process. If consensus cannot be reached with the consultant, proceed to the consultant selection step of the process.

Step 12 Validate Funding and Resources

Who: The Department's Project Manager and/or consultant liaison representative shall validate funding with the appropriate program management office and requesting authority for the project.

When: Following Step 11. Based upon the results of validating the funding for the project, there is a possibility of revisiting Steps 7 through 11 of the process.

What: Verify that adequate funding and resources (people, equipment, money) exist for the project and/or develop a funding and resource strategy if adequate funds are not available for the project.

Outcome: Funding has been validated and/or a funding and resource strategy has been developed for the project.

◆ **Decision Point Diamond:** If the project is within budget proceed to the next step of the process. If there is not adequate funding for the Agreement as negotiated, attempt to obtain additional funding; redefine the project and/or re-scope the consultant portion of the project. (Return to Step 7)

Section 4 Supplemental Agreement Execution

This section consists of:

- Step 13: Supplemental Agreement Review, Execution, and Notice to Proceed; and
- Step 14: Charter the Full Project Delivery Team.

Step 13 Supplemental Agreement Review, Execution, and Notice to Proceed

Who: Reviewers: Consultant Services Office and the department's Assistant Attorney General.

Executors: For WSDOT, the Assistant Secretary for Environmental and Engineering Service Center, or designee. For the Consultant, the individual with evidence of signature authority.

When: Following Step 12.

What: Reviewers recommend whether the department should approve the supplemental Agreement.

The department and the Consultant execute the supplemental Agreement.

The Consultant Services Office, or consultant liaison, issues a "notice to proceed" letter to the Consultant, and the Project Manager.

Outcome: A signed supplemental agreement, and a notice to the Consultant to proceed with work on the project.

Step 14 Charter the full Project Delivery Team

Who: The full Project Delivery Team Charter for the Project.

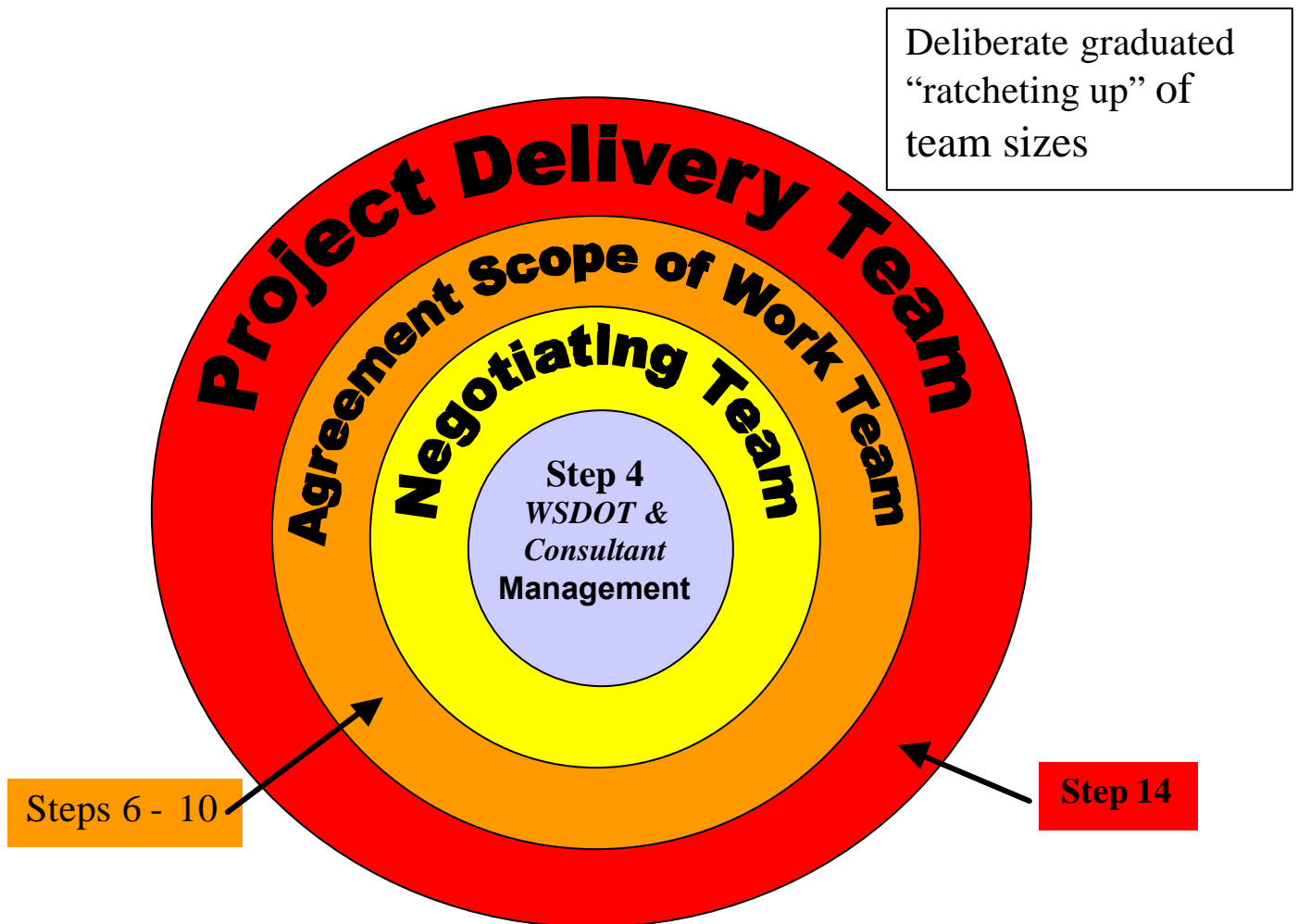
When: The charter for the Project Delivery Team will be developed after the notice to proceed has been given to the Consultant.

What: Using the chartering elements, work plan, and the scope of work developed in Steps 6, 7 and 8, charter the full membership of the Project Delivery Team. This should include the following elements:

- Project vision, team mission and goals for the project
- Identify the customers and stakeholders for the project
- Develop measurements of success and a change management framework for the project

Outcome: A signed charter for the Project Delivery Team.

Consultant Negotiations Process Teams Diagram



Imbedded in the Negotiations Flow Chart procedures is a deliberate, graduated, “ratcheting up” of teams. The need for and effectiveness of this feature was realized and developed over several pilot applications of the negotiations procedures. This “ratcheting up” of team sizes has proven to be key to an optimally efficient and cost effective process. Each team is effectively a sub-set of the next larger team. The evolutionary teams are as follows:

Steps 3 & 4 – Project Managers and *immediate* key staff for WSDOT and Consultant - This core group establishes the Phase 1 Scoping Agreement and develops a Negotiation Work Plan.

Step 5 - Negotiations Team - This is the relatively small group from both WSDOT and the Consultant that will actually conduct face-to-face negotiations in Step 11. In Step 5, this group determines the participants for the Agreement Scope of Work Team.

Steps 6 – 10 – Agreement Scope of Work Team – This team is tasked with conducting work planning for the agreement, preparing a scope of work, and estimates for level of effort (hours) and costs. This team is representative of the ultimate full project delivery team.

Step 14 - Project Delivery Team – Team will conduct the work as defined in the Agreement executed in Step 13.

Negotiations Flow Chart - Deliverable: A Signed Agreement

